Daily Report

Latin America

FBIS-LAT-94-163
Tuesday
23 August 1994

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Latin America

FBIS-LAT-94-163 *23 August 1994*

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PRC, Rio Group Diplomats Discuss Trade Ties

PY1908180694 Sao Paulo GAZETA MERCANTIL in Portuguese 17 Aug 94 p 5

[Article by Maria Helena Tachinardi]

[Text] Brasilia—The trade volume between the PRC and Latin America last year amounted to $3.7 billion, which is "an historical record" according to Ren Jingyu, from the PRC Foreign Ministry. He said this during a seminar that took place in Brasilia attended by diplomats from the Rio Group of thirteen Latin American countries.

The PRC, which this year commemorates 20 years of diplomatic relations with Brazil, has made $300 million worth of investments in 24 Latin American countries through more than 160 mixed-capital companies. "All this marks a good beginning for bilateral economic cooperation," Ren said.

Ren believes that "the exchange of scientific cooperation between the PRC and Latin America is becoming more dynamic," a good example of which is cooperation with Brazil in the construction of remote sensoring satellites.

The Chilean president last year came up with the idea of organizing this seminar with the participation of the Chinese Government. The meeting was this year organized by Brazil, as head of the Rio Group, in order to maintain the dialogue with the Chinese that began in the UN General Assembly last year.

Chinese Deputy Forestry Minister Wang Zhibao, who is also head of the Chinese delegation, recalled that the economic growth of the PRC in the fifteen years of its economic reform and opening has been an average 9.3 percent per year. In 1993 the Chinese foreign trade volume amounted to $200 billion, and during the first half of this year it has been $49.2 billion, with an increase of 21 percent for imports and 30 percent for exports in comparison with the same period last year. The PRC trade volume is expected to increase to $400 billion by the end of the century. "Sustained economic development will promote cooperation between China and Latin America," Wang said.

Brazilian Foreign Ministry Secretary General Roberto Abdenur said that Latin America has taken meaningful steps to open up its economy, and Brazil, "where things are still disorganized" (as compared with Chile or Mexico) has now entered into "a decisive stage of the stabilization process. Wang will return to Beijing with the vision of a new reality in Latin America," Abdenur added.

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Mercosur Commission To Review Tariff Changes

PY1908185494 Sao Paulo GAZETA MERCANTIL in Portuguese 16 Aug 94 p 6

[Article by Maria Helena Tachinardi]

[Text] Brasilia—The regulations of the Trade Commission created by the presidents of Argentina, Brazil, Paraguay, and Uruguay on 5 August to follow up on the trade and customs topics of Mercosur [Common Market of the South] will begin to be defined on 3 October in Montevideo. On the Brazilian side the commission will be represented by officials from the Foreign Ministry (coordinators); the Finance Ministry; the Industry, Commerce, and Tourism Ministry; and the Agricultural Ministry. "It is the first body that was created with a certain institutional sense," said Renato Marques, chief of the Latin American Integration Department of the Foreign Ministry. Marques must today meet with foreign diplomats in Brasilia to explain to them the preparations for the implementation of the free trade zone and customs union as of 1 January 1995, the date when Mercosur is supposed to take off.

The Trade Commission will, for example, reconsider the Common External Tariff (TEC) to be charged on the import of products from third markets in cases where the Mercosur member countries decide to modify them either upwards or downwards. The commission will examine specific subjects, such as the Argentine "drawback," which is a fiscal benefit by which the Argentine Government refunds to Argentine businessmen an amount in taxes equivalent to the customs tax charged on exported industrialized and agricultural products.

Argentina asked for a review of the TEC for agricultural products listed in Chapters 1-24 of the Mercosur tariff list because it wants to raise import taxes and the "drawback" on value-added products. The Argentine Government will have until 15 September to inform the rest of the member countries of the tax revision it is making to increase the "drawback" on agro-industrial products. This subject is included in the agenda of the Trade Commission because the other three countries will not accept the "drawback" within Mercosur, only for Argentine exports to third countries.

Even so, this benefit for the Argentine businessmen will be gradually reduced.

If Argentina raises from 10 to 18 percent the TEC for a certain agricultural product, it will have to prove that the businessman who receives the 18 percent "drawback" has paid equivalent internal taxes, because "the drawback is acceptable as long as it is within the limits of the internal taxation system," Marques said.

The following are other pending subjects on the Mercosur agenda:

—"By 15 September the exceptions to the TEC must be defined in the fields of informatics and capital goods. The TEC for capital goods was established at 14 percent until 2001, and 16 percent for informatics until 2006. The exceptions must respect these limits. Another task will be to increase the amount of tariff positions for capital goods, because an item with a zero TEC nowadays could be the object of an import tax increase in the future, in case one of the countries begins to manufacture it and wants to protect it. [no closing quotation marks as published]

—By 23 September the four countries must analyze the consistency of the TEC to avoid having an input, for example, being charged a higher import tax than a final product.

—By 7 October the member countries must present their lists of exceptions to the TEC. In the case of Brazil they will include products from the field of capital goods (products with a numerical control), the car manufacturing industry, informatics, and pharmaceuticals, whose import taxes must be reduced by 2001.

—By 15 October the final adaptation system for the auto trade (which currently has export quotas) and sugar must be defined. This registry will imply that after 21 December 1994 some products will have an import tax which will be reduced in four years.

—By 31 October the four partners must report what products will be included in the adaptation system. These products must be included in the exception list, which will be valid until 31 December 1993, or under the safeguard system. Within Mercosur only Argentina applies safeguarding measures against Brazilian products.

Brazil has 50 items on its exceptions list, mainly wines, cheese, and informatics. After consulting businessmen, the Common Market Group will decide which products will continue to be protected.

—Mercosur foreign relations: According to Renato Marques it is "very urgent" that the trade agreements signed by the Mercosur member countries be negotiated with other members of the Latin American Integration Association (ALADI).

Mercosur will trade with these countries within a South American Free Trade Area (ALCSA) within 10 years, but making "a stop in the eighth or sixth year to review the developments of the agreement," as some countries may want to join Mercosur before 2003. Contacts have already been made with Chile and Bolivia on the subject.

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Cuba

Foreign Ministry Warns on Refugees at U.S. Base

PA2208233194 Havana PRENSA LATINA in Spanish 2114 GMT 22 Aug 94

[Text] Washington, 22 Aug (PL)—The U.S. Navy Atlantic Command has reported additional illegal Cuban immigrants will arrive today on board five U.S. Coast Guard vessels at the Guantanamo U.S. Naval Base.

This group will be placed in the [words indistinct] camp to undergo an identification process, and they will be located afterward in installations only 3 km away from the site where the Haitian refugees are.

[Words indistinct] the Cuban Foreign Ministry warned of the danger of placing these refugees in a crowded concentration camp.

The Caribbean government strongly rejects in its note the plan to use Guantanamo Naval Base, located in the extreme southeastern part of the island, to house the illegal Cuban immigrants.

Meanwhile, the Department of Defense (the Pentagon) has disclosed Defense Secretary William Perry met with officers of the Coast Guard and Navy to asses the situation on Monday at Cay Hueso, in southern Florida.

According to an official of that government institution, who chose to remain anonymous, Washington is planning to use 10 warships to help find those who are astray at sea. This plan does not include the current group of Coast Guards that has been trying since 19 August to hold back those trying to reach the coasts of this southern U.S. state.

That day, President William Clinton took a sudden turn in policy that has been upheld by his country for 28 years, and he announced the Cubans who reach Florida by sea will no longer receive automatic asylum, which had been guaranteed by law since 1966. They would now be sent to the Guantanamo Naval Base.

In an upswing of U.S. pressures against Havana, Clinton disclosed on 20 August a group of measures that will tighten the blockade against Cuba. The blockade has represented an economic loss of more than $40 billion during three decades, while it has been condemned by the international community.

Meanwhile, Leon Panetta, secretary of the presidency [title as received], has mentioned a possible naval blockade against the largest of the Caribbean islands as one of the several options his government could apply. Presidential Spokesperson Dee Dee Myers has affirmed this position.

Nevertheless, Perry has dismissed this possibility, saying "it is a U.S. option, but this possibility is not being seriously considered."

Radio Cites Agencies on Guantanamo Refugee Figures

FL2308130694 Havana Radio Progreso Network in Spanish 1100 GMT 23 Aug 94

[From the "First Thing" program]

[Text] International news agencies report on 23 August that the United States is already concentrating over 2,000 Cubans at the Yankee naval base at Guantanamo. They were taken there after being captured at sea while trying to reach Florida.

U.S. Plans To Move Refugees From Guantanamo Noted

FL2308024794 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 23 Aug 94

[From the "NTV" newscast]

[Text] The U.S. Government plans to move illegal Cuban immigrants not only to Guantanamo but also to the neighboring British possessions [as heard] of the Bahamas and Suriname. Defense Secretary William Perry told a news conference in Key West that the United States has decided to move 10,000 illegal Cuban immigrants to Guantanamo, 2,500 to the Turks and Caicos Islands, and another 2,500 to Suriname. The news coincided with a high-level State Department official's announcement that several Caribbean nations would shortly announce their intention to also accept illegal Cuban immigrants. Meanwhile, newspaper editorials in several countries have denounced the latest U.S. measures to strengthen the U.S. blockade of Cuba.

U.S. Blockade Threat Said Attempt To 'Meddle'

FL2208201994 Havana Radio Rebelde Network in Spanish 1700 GMT 22 Aug 94

[From the "National Radio News"]

[Text] The U.S. Government has threatened Cuba again, this time with a possible naval blockade. In an unprecedented move, Dee Dee Myers, White House spokeswoman, announced in Washington this morning that President William Clinton has not dismissed the idea of using a naval blockade to increase pressure on the Cuban Government. This U.S. threat is not directly linked to the surge of rafters headed to Florida but represents a new phase in Washington's attempts to meddle in Cuban affairs. Regarding an eventual blockade to force Cuba toward what they call democratic progress, Myers pointed out that the President has not dismissed any option without confirming or denying that the blockade is one of those options. The White House announced on 20 August a series of coercive measures concerning the departure of so-called rafters from Cuba, after having announced on 19 August the end of the almost automatic approval for Cuban citizens requesting political asylum in the United States. The Miami Coast Guard service announced that 1,189 people were rescued on 20 August

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near Florida coasts, another 1,239 on 21 August, and 580 during the first hours of 22 August.

[Radio Rebelde adds during the same newscast: "U.S. Defense Secretary William Perry said on 22 August that the United States could establish a naval blockade of Cuba. While visiting the naval base at Key West—the southernmost point in Florida—Perry said that President Clinton is not leaning toward that option and that this would require the deployment of many more resources than those deployed so far. Perry stopped in Key West to meet high-level Navy and Coast Guard commanders and to observe firsthand the rescue of rafters. Perry and Admiral Paul D. Miller, commander of U.S. Forces Caribbean, said that the Pentagon is willing to house up to 10,000 Cubans at Guantanamo Naval Base and perhaps open facilities in three other locations for the rafters. There are approximately 15,000 Haitians in Guantanamo. Perry said that he does not know how long the rescue operation will continue to prevent Cubans from reaching U.S. shores at present levels."]

Reporters Discuss U.S. Actions, Statements

FL2208163394 Havana Radio Rebelde Network in Spanish 1155 GMT 22 Aug 94

[Telephone interview with Marcos Castellon in Miami and Roberto Cavada and Maria Elena Alonso in Havana on 22 August; from the "Doing Radio" program]

[Text] [Alonso] I was reading the different information received and the latest reports on the measures taken by the U.S. Government last weekend. They state that all the people intercepted at sea, in the last few hours, have been taken to the Guantanamo Naval Base. The people that did reach the coast were being held in detention centers in Miami. There are also reports of reinforcements, that is that the U.S. Navy is going to send 10 ships to reinforce the Coast Guard. There will also be reinforcements in men, helicopters, planes, and ships coming from others states, like Boston for example. The U.S. secretary of defense will be arriving, in the next few hours, in Florida to meet with Navy and Coast Guard officials to analyze the situation. Well, there are also the Panetta statements made to ABC this weekend, which Dimas mentioned in his commentary [reporter Eduardo Dimas' "Our Opinion" Commentary, during same Radio Rebelde broadcast], where he was threatening Cuba with an eventual naval blockade. Good Morning Marcos.

[Castellon] Maria Elena and listeners of "Doing Radio", Good Morning....

[Alonso] Yes, can you hear Marcos?

[Castellon] Yes, of course. I was listening to the update that you made on this situation that we have. All these references of the effectiveness, supposed effectiveness, of the detention and relocation of rafters that are intercepted at sea and taken to Guantanamo Naval Base, is only part of the problem. Evidently, this is a problem that the United States is firmly bent on solving. They have been somewhat effective, as it seems they have been able to control the situation. We must bear in mind that this is not only a rejection of a possible Cuban exodus, but also this might be a way of appeasing a growing wave of anti-immigration sentiment that affects the United States in the same manner that it affects Europe, we referred to this a few days ago on "Doing Radio."

All the information that you have mentioned is correct; we have the same information here: the U.S. secretary of defense's visit and the Coast Guard is patrolling 24-hours a day, picking-up people, and there are some people that have not been picked-up yet.

Unfortunately, I must say that there are empty rafts. People desperately trying to leave Cuba with the idea that they are going to be immediately picked up, lose their lives in the sharks' mouths when they capsize. This is a reality, something that is occurring—no one likes it—this is tragic and very sad.

At the same time, there is another context, the measures that the U.S. President announced, which included a considerable decrease in trips to Cuba, the prohibition of sending dollars, trying to obtain an accord from the United Nation's condemning Cuba for violating human rights, and increasing the international braodcasts to Cuba from the United States. In that context, I would once more reiterate, these measures are not yet official; there is only what is called a statement [preceding word in English] by the President, this means a statement by the President, but currently the manner of implementing these measures is being analyzed. There is much to be analyzed and evaluated before they can be made effective. At the same time there is a great wave of criticism, because it is feared that those steps might weaken the efforts that are being made to stop the rafters. For example, if the visits to Cuba and the possibilities of aiding relatives in Cuba were to decrease, possibly, many more people would want to take to the sea. That seems to be a great contradiction that President Clinton has on his hands at this very moment thanks to his following Jorge Mas Canosa's suggestion.

Mas Canosa, director of the Cuban-American National Foundation, is extremely happy with these measures. These measures correspond, word by word, to the theories that this man has been sustaining over the course of many years, increase pressure on Cuba to provoke the people inside to turn on the government and oust it. They simply have no consideration on the number of lives that a something like that would cost. He says that he is very happy because he feels that the President listened to him during their meeting last Saturday.

[Cavada] Marcos, referring to what you said about Mas Canosa, what has his reaction been on the almost complete derogation of the Cuban Adjustment Act which he defended and promoted so much; the law regarding Cuban immigrants which gave them a different status

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than other immigrants? Do you think that the Foundation has lost one of the main cards it was holding? What has Mas Canosa's position been in this respect?

[Castellon] Well, I have to clarify something, Cavada. When the announcement was made by Janet Reno and later confirmed by President Clinton's news conference that these measures were going to be implemented, Mas Canosa was not available for comment. Another of the Foundation's presidents is cited by international press agencies, for example ASSOCIATED PRESS, stating that it was a measure that no one liked but that it was necessary. However, Mas Canosa, personally, did not come out and defend the Cuban Adjustment Act. Better yet, he did not come out and make any statements on the suspension of privileges that Cubans received. That is something that stands out because he was not around here, he was at the White House. He arrived in his private jet with the governor of Florida and other Miami officials, all of whom are loyal to him, to present Clinton with what later became Clinton's Saturday announcement, on a silver plater.

[Cavada] Let me add to this that Mas Canosa was the same person that voted against Clinton in Florida.

[Castellon] Yes, of course, this is just a political game. What we must bear in mind is that this strengthening of pressure on Cuba is the Foundation's stratagem to have the people begin an uprising and the military turn on the government in Cuba, well all these things, anything to defeat Fidel Castro. I am putting all of this in quotation marks because this is their constant desire. In any case, they could not care very much about what might happen. When the United States supposedly sends troops to Cuba and a confrontation takes place, Mas Canosa would not be in the front lines. He would be in his private jet, perhaps accompanied by other public officials, far away looking at the battle from the horizon, with his expensive suits, his good life, and of course his millions. He...[pauses] sacrifice is only here.

[Alonso] Marcos, just one last question. What is the reaction there in Miami?

[Castellon] Well, the situation of the rafters being detained—imagine, just like any other situation where someone has a privilege and suddenly it is taken away—people are upset. It is curious to see that the authorities are very happy with these measures. Many leaders of the so-called exiles are most happy with these measures because they believe that this is a way of confronting Fidel Castro. The important issues here are the measures that limit trips and the amount of dollars that can be sent to Cuba, the people here that want to unify their families and, above any political or ideological difference, are concerned only about the welfare of their relatives in Cuba, are very upset. We are witnessing a tremendous polarization of the Cuban community that could have unpredictable consequences. Let us hope that they keep calm and stay within the law and do not become confrontational; that could easily occur here.

[Alonso] Marcos, thank you very much. We will continue to follow this issue in future broadcasts.

Radio Cites Exiles' Protest Over Latest Measures

FL2208215594 Havana Radio Reloj Network in Spanish 1932 GMT 22 Aug 94

[Text] Cuban organizations in the United States on 22 August rejected President Clinton's decision to strengthen policy against Cuba, a decision they described as inhumane, immoral, and unacceptable. The denunciation appeared in a document issued in Miami, in which the signing Cuban organizations blame the U.S. Government for encouraging illegal Cuban immigration by denying visas to those wanting to leave. The document, received by PRENSA LATINA, in Havana, is signed by members of the Antonio Maceo Brigade, the Cuban Community Workers Alliance, the Afro-Cuban Cultural Preservation Caucus, professional and businessmen's groups, and the Cuban-American Association. The document states that the measures regarding remittance of money to people in Cuba and limiting the number of flights between Miami and Havana are contrary to humanitarian efforts to create ties between Cubans abroad and on the island.

Further Commentaries, Editorials on New Policy

TRABAJADORES on New Measures

PA2308014294 Havana Radio Havana Cuba in Spanish 0000 GMT 23 Aug 94

[From the "Evening Information Review" newscast]

[Text] The Monday edition of TRABAJADORES newspaper publishes an editorial entitled "Once More the Empire Misjudges," in which the newspaper reviews the new measures against Cuba announced recently by U.S. President Bill Clinton. According to the editorial, the new measures constitute a rejection of standard policies followed by successive U.S. Administrations.

The newspaper says Clinton, ignoring even his own legislation, is attempting to prevent a mass influx of Cubans illegally leaving for the United States by preventing their entrance into the promised paradise and, instead, confining them at the illegally occupied base at Guantanamo.

The U.S. Government, which for so many years encouraged and facilitated the automatic entrance of any Cuban into its territory, is now closing the door on paradise, and, in exchange, it is offering hell. TRABAJADORES stresses this is a self-evident policy of manipulating illegal immigration for one's own interests.

Further on, the newspaper adds that the new measures, which include a reduction in charter flights between the two countries and an increase in radio and television transmissions to Cuba, are all designed to sever contacts

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between the island and its emigrants, increase hostilities, and serve as a pretext for a inevitable military aggression.

TRABAJADORES concludes by saying that through this new escalation, the United States is preparing to eliminate the Cuban problem. However, because of its imperial nearsightedness, it has not taken into account the Cuban people's commitment to independence and sovereignty.

TRABAJADORES on Reasons for Rafters

PA2308020894 Havana Radio Havana Cuba in Spanish 0000 GMT 23 Aug 94

[From the "Evening Information Review" newscast]

[Text] Cuban journalist Francisco Rodriguez, in an article published in the 22 August edition of TRABAJADORES newspaper, reviews the reasons why some Cubans put to sea aboard flimsy boats in an attempt to reach U.S. coasts. The article, which is entitled "Shipwrecked Before They Leave," explains that economic reasons seem to be the most obvious impetus for the so-called rafters, while other reasons include political reasons, the country's current difficulties, and U.S. Government policies of harassing and blockading the island.

TRABAJADORES says that among this wave of emigrants, there are many who are not facing the problems faced by honest workers, because as they flee, they leave behind comfortable homes, cars, and other property. The article adds that their decision to leave the island also is influenced by the ill-intentioned promise of an idyllic society, one in which abundance sometimes goes hand in hand with unhappiness—a promise broadcast day after day by anti-Cuban stations in Miami.

The newspaper says the rafters have already shipwrecked before ever putting to sea, and it adds that they have accomplished their goal, perhaps the unconscious goal, of casting off their patriotic feelings and refusing to belong to a nation. They have tossed aside their roots, customs, memories, and desires, according to the newspaper.

The article adds that people are refusing to talk about the very altruistic goal of devoting oneself to a collective cause—a goal that motivates only exceptional people. They are talking about renouncing the right of living in the place in which they were born—the place in which the relatives and friends they leave behind require the presence of people who put to sea without understanding that being confined on a military base or on a U.S. Coast Guard vessel does not mean they have arrived anywhere.

Clinton Pushing Dispute 'Too Far'

PA2308023094 Havana Radio Havana Cuba in Spanish 0000 GMT 23 Aug 94

[Commentary by Roberto Morejon from the "Evening Information Review" newscast]

[Text] U.S. President William Clinton sank further into the quagmire of the past nine administrations' hostile policy against Cuba when he formulated new attacks and additional threats to Cuba, despite his allies' counsel to reconsider and admit that the Cold War is completely over.

Clinton not only brandished the proverbial stick without showing a carrot, but he also created what for him is an uncomfortable rift with the Cuban-American community when on Friday he announced a drastic change in Cuban immigration policy—a shift that included blocking the so-called rafters.

With the establishment of this contentious maritime knot in the Straits of Florida, and by sending the first group of Cubans to Guantanamo Naval Base—a base illegally occupied by the United States—the current resident of the White House prompted the vexation of Cuban immigrants awaiting relatives who had left Cuba by way of their own means. In this way, Clinton turned his back on those Cubans who want to go the United States after he himself had encouraged them to do so, and he has hurt the Cuban community in a way it never expected. This community represents 29 percent of the population of Miami, and the President cannot do without them in his electoral plans.

Just 24 hours after he announced his decision to send Cuban rafters to a virtual concentration camp at Guantanamo, Clinton made an additional turn of the screw to strengthen the blockade and Torricelli Law. His Saturday statements caused more frustration among the Cuban-American community as he abruptly deprived them of the right to send economic aid to their relatives on the island by limiting the sending of packages and charter flights—measures that complicate and make it more costly to maintain family contacts.

Regarding the 11 million Cubans on the island, President Clinton showed an excess of arrogance, helplessness, and desperation when he also announced his intention to further violate the sovereignty of Cuba's airwaves and by threatening to renew the human rights campaign. With his anti-Cuban escalation, which features warlike overtones, Clinton has pushed the dispute with Cuba too far and has closed the few doors that had been open for possible negotiations on a wide range of bilateral problems that need discussing. In turn, Clinton will have to answer to international public opinion for this.

U.S. Wants 'Free Hand' To Act in Cuba

FL2208230694 Havana Radio Rebelde Network in Spanish 1155 GMT 22 Aug 94

[Commentary by Eduardo Dimas; from the "Doing Radio" program]

[Text] I have warned several times of the dangers that setting precedents and changing the principles on which international relations are governed could pose for the Third World. The UN Security Council first violated the

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principles of sovereignty and noninterference in internal affairs when it approved the resolutions on humanitarian intervention in Somalia and Rwanda. The arguments put forth in both cases were that human rights were being violated and that the people were suffering a civil war. While that may be very humane, it sets a precedent that can be used against any government that the United States—which dominates UN Security Council voting—dislikes. The Security Council resolution on Haiti followed, allowing the United States to intervene under the guise of restoring democracy and minimizing the threat to world peace through UN Charter, Article Seven. It is ridiculous to think and silly to say that a small Caribbean country with an army trained by the U.S. Army to repress a defenseless people could constitute a threat to world peace. This suggests that another precedent has been set.

It would seem that it is our turn now: I dare say that one U.S. Government objective is to set the same precedents with Cuba. The 19 August announcement that Cuban emigrants would be sent to Guantanamo Naval Base so that authorities can decide who will be allowed to go to the United States gives way to a number of questions. If they want to prevent Florida's ethnic makeup from changing, they could send them to other states. This would also prevent a situation that could get out of hand from aggravating an already tense area. Let us not forget that the new immigrants could be used to make provocations or as cannon fodder during an initial strike. On the other hand, the U.S. Government has not thoroughly explained the reasons for the measures, which do away with the 1966 Cuban Adjustment Law.

This change in U.S. policy on Cuba is accompanied by other measures: President Clinton announced on 20 August that the blockade would be reinforced by reducing flights between Miami and Havana, prohibiting money from being sent, increasing radio propaganda, and taking the Cuba issue to the UN Security Council.

As I write this commentary, AFP is reporting that Leon Panetta, White House chief of staff, announced on ABC that the U.S. Government could call for a naval blockade of Cuba if there are no changes in our policies and no steps toward, what he calls, Cuban democratization. The choices facing the Clinton administration may be different, but they all add up, in my opinion, to one thing: They want to internationalize the so-called Cuban problem and get the UN Security Council to condemn Cuba so that they can have a free hand to act against our country whenever they want.

There is some logic to the plan, considering it is the empire that controls 90 percent of the world's flow of information and that it can influence, as it has done, postures and opinions on Cuba. However, they forget one very important thing: the Cuban people's patriotism and disposition to defending their country. Those oversights are usually very costly.

U.S. Deals 'Low Blow' to Exiles

FL2308032194 Havana Radio Rebelde Network in Spanish 2300 GMT 22 Aug 94

[Commentary by Fernando Davalos; from the "Exclusive" program]

[Text] The U.S. Government has dealt a low blow to the Cuban exile community by ordering the transfer of rafters to Guantanamo Naval Base. Many of these illegal immigrants, repeatedly enticed by the United States to leave illegally with the promise of a warm welcome, find themselves stood up by this surprising move. While the decision may have come down from top U.S. authorities, the most prominent figures in the exile counterrevolutionary community helped formulate it. However, a good portion of the Cuban community in the United States has criticized the confinement of Cuban rafters to Guantanamo as an absolute violation of their family interests.

The United States has hindered family reunions by denying visas and obstructing normal and legal paperwork at its Havana office. Taking to the seas has become the only practical alternative, and now the U.S. authorities themselves are shooting them out of the water by sending them to Guantanamo in the hopes of discouraging others from risking the trip. However, the number of rafters is not declining nor can it decline because a few days cannot halt what took the United States years to systematically organize by encouraging such departures. Automatic admittance into U.S. territory and quick residency and job opportunities have served as an appealing inducement for the rafters' perilous trip.

The radio barrage against Cuba also played its part. The worsening of the Cuban economic situation, engendered by the blockade, gave final shape to the abundance of rafters they no longer want. The increase in the number of rafters has forced the United States and the aggressive right wing of the Cuban exile community to show their true colors. The horror of the uncontrolled exodus, which they themselves instigated, made them send the rafters to that desert—Guantanamo—on 19 August. The threats continue since the number of rafters has not dropped: They have announced further measures against Cuba, always seeking to worsen the Cuban people's living conditions and always supported by the far right segment of the exile community. With the number of rafters still on the rise, they began talking yesterday about a naval blockade of Cuba. Of course, this was after they consulted the counterrevolutionary organizations that have dreamed of letting the United States handle the problem for their entire and comfortable existence.

It might be that this hostile announcement was meant to calm Miami, which is protesting the transfer of relatives to Guantanamo. Yet, this is another threat of aggression, the direct result of their inability to prevent the illegal departures they have encouraged from the beginning. It is very curious how the Clinton administration submits

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to the designs of the reactionaries of Cuban origin, who dream of defeating us through hunger and illness. Such submission and the ensuing escalation against Cuba, not seen even under Reagan or Bush, once more highlights the typical hesitations of the current administration, which are politically very costly. The U.S. Government underestimating us is nothing new. We have lived under constant threats in Cuba, and not even that makes us lose any sleep.

Robaina on Objectives of Latin America Tour

PA2208174994 Havana Radio Havana Cuba in Spanish 0000 GMT 19 Aug 94

[Interview with Foreign Minister Roberto Robaina by unidentified reporter; date and place not given; from the "Evening Information Review" newscast—recorded]

[Text] [Reporter] How come you are again getting on a plane to visit Latin America during such a difficult economic and social time for the country?

[Robaina] It is necessary to make a titanic effort to avoid a world of silence. We believe it would be very unfair not to make known abroad the great effort being made and the firm support being provided by the Cuban people under most difficult circumstances.

I think that the policy against Cuba has been aimed not only at making Cuba explode from within but also at isolating us politically at the international level, and we cannot permit that. The entire country has to work on that. The Foreign Ministry has to be present whenever a door is opened—and I mean doors that are opened, because Cuba is not begging to be invited to countries. The countries we are visiting now have decided that this is a suitable time to listen to Cuba speak its truth.

I have the responsibility of fulfilling this mandate in the best possible way. Much work is ahead and a big effort is necessary, but we have the satisfaction of knowing that there is also much truth to be spoken and many arguments to be wielded.

This is what most sustains me. This is our immediate objective. The economic situation is difficult, but we cannot lapse into the world the enemy wants for us. The enemy wants us to be silent in a world where only what the big media wants to make known becomes known.

I think we must break this barrier of silence.

[Reporter] We have learned you will make a technical stopover in Panama before reaching Ecuador and that you will be working during the hours that you are there. In your opinion, what could the course of relations between Cuba and Panama be now that a new government will be sworn in September?

[Robaina] This is interesting. This is a situation that the ministry and the country's representatives who somehow influence foreign policy cannot afford to disregard in the midst of the difficult economic situation we have just mentioned.

Our technical stopovers cannot be just technical stopovers. This is a time when the country cannot fail to use every single minute of radio or television time or of conversations with anyone wanting to know about Cuba, including those who are not interested in knowing about Cuba but who anyhow have mistaken information about Cuba's true situation.

Our situation has virtues and defects. I want to speak very sincerely. I am not interested in everybody agreeing with what I have to say; I am interested in making the Cubans' point of view known whenever the Cuban situation is analyzed.

I think that if we are going to spend a few hours in Panama, one would like to know, any Cuban would like to know, any normal people would like to know, what is Panama like? I think in Panama people have many questions about Cuba, and we cannot afford to waste those hours.

The Foreign Ministry [not further identified] has proposed using those hours in a conversation with the Foreign Ministry [not further identified] and with businessmen, and many things are a preamble to an invitation made to Cuba to officially participate in the presidential inauguration.

[Reporter] There is much expectation about your upcoming visit to Chile, a country with which we have consular relations not diplomatic relations. What is the purpose of your visit? Does it include reestablishing bilateral relations?

[Robaina] Some media do not clearly report the truth about a visit by a high-ranking Cuban official to Chile. There was a visit by the vice president of the Cuban State Council, Companero Carlos Lage, who was recently in Chile, where he established a dialogue and communication with that government.

It is true we do not have diplomatic relations, but we have other relations that are as important as diplomatic relations. I believe we have good communication with that government. There is contact with the Foreign Ministry and with the president, including the new president of Chile.

Our agenda does not include establishing diplomatic relations. Regarding this issue, for us it is more important to know Chile's true situation and that the Chileans become more aware of the Cuban situation.

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Cooperation Accords Signed With Ecuador

PA2208192294 Havana PRENSA LATINA in Spanish 2310 GMT 19 Aug 94

[Report by Rafael Contreras]

[Text] Quito, 19 Aug (PL)—Ecuadoran Foreign Minister Diego Paredes and Cuban Foreign Minister Roberto Robaina signed here today two agreements on economic cooperation in the lumber and oil sectors for the next two years.

The agreements, signed at the Ecuadoran Foreign Ministry, provide for the establishment in the energy sector of ways to facilitate the identification and implementation of projects and specific interests in the area of hydrocarbons.

The agreements include, among other things, technical-economic studies, development projects, the exchange of information on technology, expert and specialized delegations, and the establishment of joint economic associations.

The agreement on technological cooperation in the lumber sector will help promote and broaden coooperation in this sector based on reciprocity and the mutual exploitation of scientific-technical resources for the benefit of both Cuba and Ecuador.

The cooperation agreement involves working jointly for the genetic improvement of lumber varieties, the production and commercialization of seeds, reforestation, and the production and exploitation of palm oil and other trees.

Efforts will also target the sale and commercialization of improved seeds of various lumber varieties of interest to each party, as well as the exchange of production material and scientific-technical information regarding the genetic improvement and production of seeds.

The Cuban delegation conveyed the possibility of jointly using the compensatory market [mercado compensado] mainly in the exchange of considerable amounts of fish meal, rice, beans, vegetable oils, and others for such Cuban products as seeds or stumps of plantains immune to the Black Sigatoka disease, pharmaceuticals, and medical equipment.

Views Immigration Policy

PA2208214194 Madrid EFE in Spanish 1712 GMT 22 Aug 94

[Text] Quito, 22 Aug (EFE)— Cuban Foreign Minister Roberto Robaina left for Chile today following a four-day official visit to Ecuador. Before his departure, he reiterated that his country will not change its immigration policy to prevent the "encouraged" departure of Cubans to the United States.

"It is a matter that strictly concerns the United States," Robaina noted, insisting that his government "will not protect U.S. coasts because it is their problem."

"We have much more important things to do. It is not a priority for Cubans to decide who may and may not be allowed to enter the United States," the foreign minister told reporters.

Robaina said his country's president, Fidel Castro, remains firm in its decision "not to present any obstacles to Cubans' departures from the island."

"I do not think," he added, "that the U.S. solution to arrest Cubans trying to enter that country illegally and to take them to Guantanamo Base (in Cuba) is the solution to the problem."

"The solution is more than that. What needs to be determined is what is fomenting such illegal immigration. What should be analyzed is why Cubans are unable to enter the United States legally," Robaina said.

According to the Cuban foreign minister, "if immigration agreements between Cuba and the United States were honored, approximately 20,000 Cubans could legally leave the island every year."

Robaina rejected the U.S. decision to transfer to Guantanamo Base the Cubans who have tried to enter the United States illegally. He described the base as "a concentration camp that is already holding more than 15,000 Haitian refugees."

The Cuban foreign minister asked that "questions not only be asked of my country but also of the United States, one of the originators of the island's crisis due to the blockade imposed more than three decades ago."

He admitted that Cuba is changing because conditions in the world have changed, too, "that is why we want to continue dreaming, but with our feet on the ground and preserving our essence."

This is why, he stressed, "we open the doors to foreign investment with rules of the game that are broad and flexible enough to guarantee that nothing or no one is excluded."

"We are offering every guarantee, just like any other country. The greatest risk they will run is that the country will go from socialism to capitalism, which would mean that investors would be on their own turf and would have no problems," he noted.

Robaina reported the pressures exerted on investors by the United States, "which shows that eight out of 10 business deals begun are suspended."

Cuba's opening becomes evident with the rapprochement program begun by the Castro government with several Latin American countries visited by Robaina (Argentina, Colombia, Peru, Uruguay), including Ecuador, Chile, Brazil, and Bolivia on this second trip.

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"If it is a matter of integrating Latin America, we are willing to engage in any kind of negotiation," Robaina stated, "as long as it does not entail losing our sovereignty, independence, or ability to speak out."

He emphasized, however, that returning to the OAS is not a priority for Cuba, consequently, "we are not knocking on any doors to enter the OAS because Latin American integration can be sought in our own way without going through that institution."

Asked about his fear of a military invasion of the island, he replied that "there are two methods of invasion; one military and one political."

"One is as grave as the other, because the country is being suffocated economically so it will surrender out of hunger and sickness. The only sin our people committed is having chosen a path and a destiny," he stressed.

He said he is willing "to sit at a negotiating table with the United States but without any conditions." He added that he has no preconceived agenda "because the possibilities for that meeting are very remote."

He rejected the Washington Administration's effort to direct Cuba's destiny because "it is something that only concerns Cubans. If they intend to rule us, they've got the wrong island."

Robaina praised the Ecuadoran Government's position "to speak with Cuba without prejudice or conditions," because it confirms that "not all bad things are in socialism, and not all good things are in capitalism."

He dismissed the idea of a collapse in Cuba similar to that in the Soviet Union because "those who were in charge of the socialist project removed themselves from the masses they led."

Says U.S. Ties 'Extremely Tense'

FL2208235994 Havana Radio Rebelde Network in Spanish 2300 GMT 22 Aug 94

[From the "Exclusive" program]

[Text] Foreign Minister Roberto Robaina has described Ecuadoran businessmen's interest in Cuban investment incentives as significant. Robaina added that specific energy and forestry measures and tourism cooperation accords were adopted that will benefit both sides. Cooperation with Cuba in the health sector was also discussed. Robaina also described as very positive, sincere, and direct his contacts with Ecuadoran authorities, particularly President Sixto Duran Ballen.

Influential Chilean media outlets today criticized reinforcement of the U.S. blockade imposed on Cuba for the past 35 years. The state newspaper LA NACION pondered: How can the United States normalize ties with Vietnam after a 10-year war and not do the same with Cuba? Felo Contreras, director of the influential magazine (ADZIMAR), urged Chile not to delay the establishment of full diplomatic and commercial ties with Cuba any further, since there are no moral, political, or ideological reasons preventing it.

Jose Miguel Insulza, Chilean Foreign Ministry under secretary, said that Eduardo Frei's government welcomes Foreign Minister Roberto Robaina's visit, which the right has questioned, with pleasure. Robaina arrived from Ecuador on a four-day visit. His agenda does not include meetings with President Frei. Both countries broke diplomatic relations in 1973, when the Pinochet regime took over. However, Chile and Cuba reestablished consular and commercial ties in 1991.

Robaina described as positive his four-day visit to Ecuador, the first stop on his second Latin American tour. Robaina told PRENSA LATINA that he was impressed with the expressions of friendship in Ecuador and stressed the fulfillment of the goal of reaching every social sector, as well as official and business sectors, to further knowledge of Cuba's reality.

Robaina's stay in Ecuador coincided with the U.S. Government's decision to deny political asylum to Cuban rafters. Robaina said that the U.S. Government decision to send Cuban emigrants to Guantanamo Naval Base to curtail the mass exodus is like taking them to a concentration camp in an effort to fully tackle the problem, namely the economic blockade. Robaina added that Cuba will not take any action to hamper the rafters' illegal departure.

Robaina said upon arriving in Santiago de Chile that relations between the United States and Cuba have become extremely tense. He added that the U.S. decision to send rafters to Guantanamo turns up the heat on already extremely tense relations.

Ends Visit to Ecuador

PA2308043794 Havana PRENSA LATINA in Spanish 1720 GMT 22 Aug 94

[By Rafael Contreras]

[Text] Quito, 22 Aug (PL)—Cuban Foreign Minister Roberto Robaina ended his official visit to Ecuador today and made, before leaving, a positive balance of his four-day stay in this country, the first stopover of his second Latin America tour.

The Cuban foreign minister, who was seen off by his Ecuadoran colleague, Diego Paredes, told PRENSA LATINA he leaves Ecuador impressed by the constant displays of friendship he had received since he arrived on 18 August.

He added the visit had served to witness the affection Ecuadoreans have for Cubans and the appreciation and fondness they feel for President Fidel Castro in addition to promoting bilateral relations.

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He stressed he had accomplished the double objective of visiting all the social levels and the official and business sectors in the Andean country, so the people in those sectors may learn more about the situation of the Caribbean island.

Robaina said the negotiations had resulted in concrete measures through several energy and forestry agreements; advancements in other cooperation areas, such as tourism, which will bring ample benefits to both countries and had bolstered Havana's possible aid in the health sector.

He said that the receptivity of the business sector was significant and that it had expressed an interest in the investment facilities Cuba offers.

The foreign minister said the contacts with Ecuadoran authorities, particularly his meeting with President Sixto Duran-Ballen, had been very positive, frank, and direct.

He spotlighted the regards sent by Duran-Ballen to President Fidel Castro, to whom he wished success in resolving Cuba's economic crisis and expressed his desire the economic blockade maintained against the island for the past 30 years would be promptly lifted.

Robaina also met in Ecuador with Vice President Alberto Dahik and former Presidents Osvaldo Hurtado Larrea, Carlos Julio Arosemena, and Leon Febres Cordero, among other personalities.

The head of the Cuban Foreign Ministry traveled to Chile, the second stopover of his tour, and he will travel from there to Bolivia and Brazil.

Alarcon Accuses U.S. of Separating Families

AU2308115294 Berlin DIE WELT in German 23 Aug 94 p 6

[Interview with Ricardo Alarcon, chairman of the Cuban National Assembly and member of the Cuban Council of State and the Politburo, by Hans-Werner Loose in Havana; date not given: "Morale-Boosting Slogans of the Leadership"]

[Text] [Loose] Is Castro still undisputed in Cuba?

[Alarcon] Many political leaders in the world envy him his popularity.

[Loose] What about Castro's popularity during the present crisis?

[Alarcon] He is right on top. Fifty-two percent of Americans do not agree with President Clinton's policy, although the U.S. economy has recovered. Castro's popularity has increased in Cuba, although material supplies have decreased. The reason for the shortages in Cuba is not Cuban policy.

[Loose] Hunger has often been a reason for revolution. Is this different in Cuba?

[Alarcon] There is no hunger in Cuba; there may be shortages and a tense situation regarding food. Five years ago, our people were spoiled by higher consumption. However, even today we are still better off than many people in other Latin American countries. The people in our country know that they would be in a far worse state without the achievements of the revolution.

[Loose] The United States no longer permits every refugee to enter the country...

[Alarcon] That is a new, interesting situation. It shows that the United States is preventing the struggle for freedom of the people and is separating many families. The United States wants to destroy Cuba.

[Loose] How many more Cubans want to leave Cuba?

[Alarcon] At any rate, not the overwhelming majority. Emigration from underdeveloped to highly developed neighboring countries is completely natural. Otherwise there would not be so many people from Eastern Europe who go to Germany.

[Loose] When will Cuba be finished off by the U.S. embargo?

[Alarcon] Cuba has been putting up resistance for more than 30 years. Cuba will resist the pressure.

[Loose] In the Soviet Union and in the East Bloc the dream of communist world revolution came to an end. Has Cuba not learned anything from this?

[Alarcon] The disintegration of socialist models in Europe does not prove that capitalism is the system of the social winners. Is is the dream of every revolutionary to change his society.

Namibian Premier Arrives; Castro Presence Not Noted

PA2308014394 Havana PRENSA LATINA in Spanish 2231 GMT 22 Aug 94

[Text] Havana, 22 Aug (PL)—Namibian Prime Minister Hage Geingob today arrived in this capital to strengthen relations between his country and Cuba. During his visit, he said he was interested in broadening health and education projects.

Namibian Defense Minister Peter Mueshihange, State Security Adviser Peter Tshinumbu, and Deputy Foreign Minister Netumbo Ndutwhoh are accompanying Minister Geingob.

Juan Almeida Bosque, vice president of the Council of State, received the high-level Namibian delegation, which will stay in Cuba until 26 August.

Other prominent Cuban personalities, including Vice Foreign Minister Isabel Allende, were present at Jose Marti Airport terminal.

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As Almeida Bosque was welcoming the Namibian chief of state, the Geingob said the purpose of his official visit to the largest Antillean island was to continue to broaden bilateral ties.

Geingob pointed out that the areas of health and education—areas in which Cuba and Namibia have signed cooperation agreements—are the most important areas in which they will continue to broaden their common ties.

Cuba and Namibia established diplomatic relations in 1991, just after the African country gained independence from South Africa, and the first cooperation agreements in the aforementioned two sectors date back from that time.

The Namibian delegation will follow a busy agenda in this Antillean country, where Minister Geingob will meet with Cuban international experts whose participation in the defense of Angolan sovereignty made possible the Namibian independence process, as is recognized by government sources of this African nation.

In addition to the official meetings with the government, the delegation also will meet with businessmen in the famous Varadero beach resort, some 140 km east of this capital.

The agenda also includes a visit to western Santiago de Cuba Province, cradle of the Cuban Revolution.

[Madrid EFE in Spanish at 2343 GMT on 22 August transmits a 265-word, Havana-datelined report on Geingob's arrival in Cuba, which notes that the Namibian prime minister "was welcomed by Cuban Vice President Juan Almeida in the absence of President Fidel Castro." EFE reports: "Fidel Castro was not present, despite the deployment of the security forces that usually accompany him as he moves about the city. Acting Foreign Minister Isabel Allende, who is replacing Foreign Minister Roberto Robaina during his tour of several Latin American countries, and other government members were present at the welcoming ceremony."

[Havana Radio Havana Cuba in Spanish at 0034 GMT on 23 August broadcasts a one-minute report on Geingob's arrival, which does not mention the presence of the Cuban president.]

Editorial Recalls Raul Castro's Assembly Remarks

FL2208233894 Havana Radio Rebelde Network in Spanish 1700 GMT 22 Aug 94

[From the "National Radio News"]

[Text] Today's TRABAJADORES carries an editorial headlined: "Necessary Reflection: On the Workers Movement and Raul's 3 August Address to the National Assembly of the People's Government."

The newspaper acknowledges that Raul's address aims to make sincerity the guiding notion of every patriot. Not every problem we have is rooted in the blockade or the objective restrictions of the special period. There are limitations made worse by our deficiencies and shortcomings, which are caused by behavioral vices that weaken the true power of the Revolution and the power of the people, particularly the workers. Raul urges us to forgo lies and reminds us that those who never confront wrong, who always wait for the opinions of their superiors, are simply opportunists, bureaucrats, or charlatans, all of whom belong to a noxious species which stunts the revolutionary spirit and are incapable not only of leadership but also lack the ability to side with the people in the hard hours of selflessness, sacrifice, and valor.

TRABAJADORES adds that the Revolution directs us to perfect our true democracy, encourage free debate of contrasting opinions, and create the appropriate climate for revolutionary criticism, keeping in mind that, as Raul states, the absence of criticism and hypercriticism are extremes exhibited by those who act out of self-interest rather than conviction. TRABAJADORES adds that the economic efficiency assemblies should become tribunes of the true; a veritable adversary of excuses; a source of innovative and creative ideas; a learning ground for management and team spirit; a fertile soil to promote the true leadership of the vanguard, the undying spirit to fight, and united action.

The article also stresses that the union movement has found in the workers assemblies and the economic efficiency assemblies a true modus operandi, a method to lead and relate to the masses in synch with the strategic prospects of the Cuban nation and the extremely hard struggle imposed by today's reality.

TRABAJADORES stresses that the survival of national sovereignty cannot be conceived without the support of the workers, not as passive actors, limited to their duties and standards, but as executers of the government and active protagonists of the political direction and economic decisions. To the workers belong the duty of executing the patriotic task of resisting, clearly the most powerful task in facing the blockade and psychological warfare of the U.S. Government.

September is upon us. This month will usher in a new cycle of assemblies, strengthened by prior experiences, by the practical assimilation of the content of Raul's speech, and the events of recent days which have intensified and deepened patriotic and revolutionary awareness, just as every time the enemy's deeds and threats arouse the rage of the nation and the corresponding response of Fidel and the people.

New Guidelines Include Relocation Opportunity

FL2208232094 Havana Radio Rebelde Network in Spanish 1155 GMT 22 Aug 94

[From the "Doing Radio" program]

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[Text] The new labor and salary guidelines indicate that spare workers can be relocated permanently or temporarily on jobs for which they are qualified. They can also be assigned temporarily or employed as reinforcement in important economic activities. They can also take training or retraining courses or could find a new job on their own.

Commentary Views Elimination of Free Services

94CA0142C Havana TRABAJADORES in Spanish 11 Jul 94 p 5

[Commentary by Julio Garcia Luis]

[Text] Another government measure, this time the elimination of free services, has just been added to the policy intended to improve the nation's internal finances, restore the value of salaries and of the Cuban peso, and lay the foundations for a national economic recovery.

As in the prior accord on price and rate increases, here again the criterion has been followed of making, at one time, decisions related to paying for goods and services that until now have been provided free.

As on that occasion, once again we observe the profound respect with which the nation's leadership has treated the basic consensus reached in the Workers Parliaments.

The preservation of education and health care, as emblematic achievements of the social policy of the revolution, stands out sharply. The few free services being eliminated in education absolutely do not limit the principle of equality of education for all the children of our people, and of their right to go as far as their abilities allow them. In health care, the change setting only a modest price, almost symbolic, for a vitamin complex that costs the nation millions of dollars is also eloquent. The value of this measure must be appreciated in its interrelation with all the problems afflicting us today and with the other steps we are taking to solve those problems.

This is not only a matter of the amount of money it will generate, which is modest if compared to what is provided by the increase in prices and rates, but also what it means in terms of the decline in state spending and the reduction in the budget deficit.

Especially in culture and sports, charging fees for shows, admission to institutions, and fees for some services should provide a strong impetus for the work being done in these areas to make these activities self-supporting and tighten the budget.

Moreover, though the elimination of the free services included in the accord does not mean more resources, like food, fabrics, and other items will be available immediately, nor does it mean the state subsidy will disappear completely, there is no doubt that charging a "user fee" will radically change the nature of the relation between receiver and provider, increase the demand for quality and the concept of the value of things, and by the same token cause an increase in quality and a more rational pricing system.

We must especially consider the importance of this measure at a time when insistence on social discipline is essential.

It could be said without fear of error that the educational and formative role of these decisions made by our government greatly exceeds their possible economic benefits for improving the internal financial disequilibrium.

Society, Marx said, finds it hard to establish distribution and political organization objectives without first creating the economic foundations that will serve as a base. Socialism is based, first of all, on the principle of compensation for work. It is impossible to distribute what is not produced. The worker and the idler cannot receive the same compensation. Egalitarianism, like a cancer, far from bringing us closer to the ideal of a better life, poisons that ideal. Therefore, rather than a temporary measure brought about by the circumstances of the special period, this Accord of the Executive Committee of the Council of Ministers will now restore an essential principle.

So eliminating free services will help to eradicate in some people something that is ultimately much more costly: the attitude of indifference and irresponsibility toward social property, lack of awareness about the value of what we receive or have, and the lack of correlation between what we contribute to society and what we expect to get from it. We cannot fail to realize that even though this accord by itself does not impose an excessive economic burden, it will be added to the previous increases in prices and rates, and so will cause family budgets to stretch further.

Social welfare services will still be able to help very low income families who cannot handle some of these payments.

This new share of inevitable sacrifice will fall primarily on workers, on the men and women who live on their modest salaries.

They, the most socially aware group in society, know this is their duty, and that no one will do it in their stead. They were the first to speak out in the Workers Parliaments for the implementation of this policy, the only one that can enable us to surmount the economic crisis and reach a safe haven. The workers are defending their power and with it, their hope in a process that should restore order and ultimately produce the greatest benefits for those who give the most to the revolution and to the nation.

Decree-Laws 150, 151 Explained

94CA0142B Havana TRABAJADORES in Spanish 4 Jul 94 p 5

[Article by Caridad Lafita Navarro]

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[Text] Attaining maximum efficacy in the penal response to criminal activities, raising the public's legal awareness, and preserving the discipline, order, tranquility, and stability of our society are the objectives of the amendments made to our criminal legislation.

In effect since 10 June, Decree-Law No. 150 amends the Criminal Code (Law No. 62 of 1987). Law No. 151 amends Law No. 5 of the Criminal Procedures Code, and will take effect on 8 September.

Work on these amendments began in 1990. The need to improve criminal legislation was evident, as some precepts did not correspond with reality and with judicial practice.

We must make it clear that this legislation is not intended simply for the special period; while it has been modernized and adapted for the present times, it also includes a vision for the future.

These new legal provisions are intended to better protect honest citizens, and they also authorize more severe action against persons who disrupt the public order, attack authority, or threaten people doing their civic duty.

Changes in the Criminal Code

The amendments in the Criminal Code include three important features.

First of all, some regulations were revised concerning circumstances considered when dealing with violations of law, and some new criminal actions not contained in the former code were inserted, so a response can be made with greater flexibility and appropriate individualization to behaviors and actions which, because of their nature and characteristics, represent a high degree of social danger.

It was also necessary to improve the definition of criminal behavior in drug-related activities, in order to contribute more effectively to the international effort against such actions, because of the social damage these activities cause.

And finally, based on the charge given by the People's Government National Assembly to the government during its extraordinary assembly in May on the gradual implementation of an integral tax system in order to encourage work and production, improve the financial system, and boost the state's revenues through an increase in taxes, rates, and fees, it was necessary to adopt measures designed to ensure strict compliance with existing and future tax obligations.

A change in one of the principal penalties is that in the past prison terms could not exceed 20 years, except when they were extended to 30 years as an alternative to the death penalty.

Now a 30-year sentence may be imposed not only in cases of this type, but also when there is an increase in the penalties in the case of recidivism or multi-incidents, or when a joint penalty is applied.

In accessory penalties, the confiscation of property had been reserved for crimes against state security or other specified crimes; now this penalty is also left to the discretion of the court in crimes against national resources and the national economy.

Recurrence or multirecurrence in the commission of a premeditated crime provides cause for upgrading the penalty; the established minimum and maximum limits may be increased by one-fourth to one-half.

For damages, a provision has been added that if damages are caused to property, or are performed in order to prevent the free exercise of authority or as intentional vengeance or reprisals for the exercise of authority, or against witnesses or other persons who have assisted in the execution of the laws or general regulations, the penalty is made more severe by increasing the prison term, which will be between two and five years.

In addition to the aggravating circumstances already stipulated in the code, there is now added the commission of an action that takes advantage of a special situation (like the phase in which we are living now) against any person acting justly in compliance with his duty, or as vengeance or reprisals for such action; and also for such action against persons or property related to priority activities for the nation's economic or social development, like tourism, biotechnology, scientific activity, and others.

The confiscation of property or objects used in the perpetration of a crime or arising directly or indirectly from the commission of a crime, as well of property or objects that have been seized, and whose use, possession or commerce is illicit, is now extended to cover not only the accused, but also third parties not responsible for the action, when their possession or property is the means used to conceal or maintain control of these items or objects, or to benefit third parties.

In the section on crimes, changes have been made in the formulation and penalties for a number of them.

Illicit enrichment is a criminal action that will not only be prosecuted when committed by authorities, officials, or [public] employees, but also by an ordinary citizen, with an accessory penalty of the confiscation of assets. For the first category, the prison term is increased from two to five years with a fine, as it was before, to a term of three to eight years.

It should be noted that this criminal violation differs from undue enrichment ("macetas"), which is handled through administrative channels, in accordance with Decree-Law No. 149.

In an attack against an authority, a public official, or their agents or auxiliaries to prevent the execution of an action properly performed in the performance of their

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duties, the new feature here is that it is extended to include cases in which vengeance or reprisals are used because of the exercise of these duties. This crime now also covers such an attack when it is carried out against witnesses, persons who have assisted in the execution of the laws, and members of their families.

The penalties for engaging in the illicit production, sale, demand, traffic, distribution, and possession of drugs, psychoactive substances, and others with similar effects are made more severe.

The section covering illicit economic activity is amended, and now states that all unauthorized persons who engage in the activities of production, processing, or sale of merchandise or services are subject to prosecution.

It should be made clear that actions of limited economic significance, in which no labor is hired and no materials from illicit sources are used, will not be considered criminal in nature, and action will be taken under the regulations governing violations of the self-employment regulations.

The spectrum of crimes involving public disorder is expanded to include acts intended to provoke panic or tumult, or any other alteration in public order.

In addition, by listing places in which these deeds acquire the character of public disorders in provoking brawls or altercations, this action is extended to places in which numerous persons congregate, and the penalty is increased if there is a deliberate intention of disrupting the public order in any way.

New categories appear for crimes against government finances, included in the chapter on tax evasion. This is applicable to persons who, when administrative channels have been exhausted, evade the payment of taxes, rates, or any other revenue which they are obligated to pay to the state budget. The penalty is increased if the sworn tax statement is altered, concealed, or omitted, or if the amounts withheld for the scheduled taxation system are not paid.

A person who, by reason of his capacity, has an obligation to record and inform on the calculation, determination, and payment of taxes, rates, or fees to the budget is also liable to prosecution if he conceals, omits, or falsifies the true information, causing damage to the national economy; and similar treatment will be given to a person who, knowing of the illicit action, or who should have foreseen it, benefits from the action, either for himself or for a third party.

This provision is applicable only to individuals, not to corporate entities; that is, agencies, companies, associations, etc.

Decree-Law No. 151, Amendment to the Criminal Procedures Law

Preceded by two major amendments, Decree-Law No. 87 on reviews in criminal matters, and 128, concerning procedures in the Peoples Municipal Courts, the changes introduced in the Criminal Procedures Law No. 5 of 1977, attempt to create greater consistency in the criminal justice system.

One of its most important features is that it expands the jurisdiction of the municipal courts, which will now be able to try actions punishable with prison terms of up to three years, thus bringing the action of justice closer to the place where the crime was committed.

In addition, it simplifies investigation and preparation procedures; eliminates unnecessary procedures for appeals; and institutes an abbreviated procedure (for flagrant and obvious crimes), thus making the criminal justice system more efficient and flexible in combating crime.

Cuban Doctors in Dominican Republic Reported

94CA0142A Santo Domingo LISTIN DIARIO in Spanish 4 Jul 94 p 12

[Article by Maximo Manuel Perez]

[Excerpt] Cuban doctors, most of whom are specialists with strong reputations in a variety of fields, have established practices in the Dominican Republic, primarily in private clinics.

A number of specialists in producing medications are also attempting to set up pharmaceutical plants here in free trade zones.

The doctors, who are working in private centers and in IDSS [Dominican Social Security Institute] hospitals, specialize in nephrology, cardiology, surgery, dermatology, orthopedics, radiology, urology, and otorhinolaryngology.

According to reports obtained by this newspaper, many of these doctors worked for years in Cuba's leading public medical centers, including Havana's famous Hermanos Alemejeiras Hospital, which treats exclusively foreign patients.

The other hospitals from which these specialists came include: Nuestra Senora de las Marcedes, Calixto Garcia, Tope de Collantes, Sira Garcia, the academic hospital of the University of Havana, and other medical centers that specialize in rehabilitation.

The Cuban doctors also teach in a number of universities, and have signed contracts ranging from six months to one and two years.

This influx of Cuban doctors into the Dominican Republic is possible because of the government's authorization allowing the Cubana de Aviacion airline to make two flights a week between Cuba and the Dominican Republic.

This has allowed an increase in convention tours, at which scientific and academic events are sponsored in all specialties, especially medicine.

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Many of the Cuban doctors trained abroad, primarily in the former Soviet Union, France, and the United States.

Contacts

According to the reports, many of the Cuban doctors who came to the Dominican Republic intended to continue to Puerto Rico and Miami, to settle in those cities. [passage omitted]

Birth Rate, Aging Statistics Detailed

94CA0142D Havana TRABAJADORES in Spanish 11 Jul 94 p 4

[Article by Carmen Alfonso and Caridad Lafita]

[Text] Give or take a few days more or less, by next November Cuba's population should reach 11 million.

As of 31 December 1993, the Cuban population was approximately 10.94 million people, with a fairly close equilibrium between the number of men and women.

Other very interesting data indicate that last year the infant mortality rate was 9.4 per 1,000 live births; this rate was so homogeneous that in eight provinces the rate was under 10, and in no province did it exceed 12.

Life expectancy for both sexes (according to official data up to 1989) is approximately 74 or 75 years from birth.

An interesting piece of information was given us by Dr. Lazaro Toirac Ayala, director of the Statistical Research Institute: the population of working age (17 to 54 for women and 17 to 59 for men) is 6,549,192: a powerful and skilled labor force.

But what does the future hold in store for us?

In their report, "Population Projection, 1993-2010," the statisticians and demographers provide the basic demographic indicators and the possible population increase up to the year 2010.

For 1995, they project a population of somewhat over 11 million, with a substantial number of working age: between 17 and 55 for women, and 17 and 60 for men.

However, by 2010 they predict changes: the population will slightly exceed 12 million people, and the number of persons close to retirement age will continue to rise.

Simply put, this means that we must be more careful with our labor resources, the men and women who provide their daily sweat must work for a somewhat longer term period, the decline in the fertility rate and the gross rate of reproduction will begin to affect this indicator.

The experts are also aware of the rural exodus, a factor that we must continue to discourage because of what our agricultural and livestock base means for our maintenance and development. It is incongruous for the population of a nation with a structure based on agriculture and livestock to move to the cities and shrink the labor force needed on the land.

For now, the population density of 98.5 people per square kilometer enables us to cover the territory of our archipelago. Other parts of the Caribbean are more densely populated.

There are still not too many people in Cuba, and what is undeniable—speaking with no chauvinism at all—is the human quality of the almost 11 million people who inhabit our Cuban archipelago.

Population Aging Is Already Starting

There are some crucial issues concerning population in Cuba, said Dr. Eramis Bueno, director of the CEDEM [Center for Demographic Studies] of the University of Havana. One is that 10 percent of the population is over 60, which means that 1 million people receive about 1.2 billion pesos in social security payments every year.

Therefore, both mid-term and long-term studies are needed to determine with sufficient lead time appropriate social, economic, and other policies. Policies like redefining retirement age, which needs to be consistent with this inevitable phenomenon: people who reach the age of 60 are going to keep on living, given the conditions favoring a long life expectancy.

Another priority issue that needs study is the necessary population redistribution, considering the high percentage of urban settlements, which implies an urban lifestyle, and the vital economic and social fact that we need to provide a stable food supply for the population.

This means guaranteeing a labor force that will live and work in rural areas, especially in our present conditions, when there are not sufficient resources to import labor-saving technology.

On this issue, said Dr. Bueno, the CEDEM is conducting research, in conjunction with the IPF [Physical Planning Institute] and the Office of Statistics of the Province of Havana, on population and labor force aspects associated with the Agricultural and Food Program in the municipality of Quivican.

This study has shown that over 80 percent of the population of this definitely agricultural area, which plays an important role in agriculture and food production, now lives in urban areas.

The CEDEM is now working on a project to formulate recommendations on the territorial distribution of the population, based on Cuba's economic and social development, in coordination with the IPF and FNUAP [United Nations Population Fund].

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There are also other vital questions of concern to us, said Bueno: they are the issues of women, family, and reproductive health; aging and population development; and population, development, and the environment.

One Hundred Fifty-Two Thousand Cuban Babies Born in 1993

Although Cuba's demographic indicators classify it as a nonpriority country for the FNUAP, this organization will continue to support a variety of activities related to this issue, stated Dr. Alfonso Farnos, the FNUAP's national officer for Cuba.

In Cuba's case, a decline in fertility has been observed since the 1970's, he explained. When the gross reproduction rate (the number of daughters each woman leaves at the end of her reproductive years) is less than one, the population tends to decline; if this rate is higher than one, there is growth. Such growth is typical in Latin America.

Cuban women are giving birth below this replacement rate, and this low fertility is reflected in the relative aging of the population; fewer children are being born, and there are more elderly people.

The statistics bear this out. In 1963 Cuba's population was approximately 7.5 million, and about 250,000 children were born. In 1975, with 9.4 million, 192,000 children were born; and last year, when the population was 10.9 million, there were 152,000 births.

This situation is changing age groups, and a larger proportion of the population is aging. With the boom in the birth rate in the 1960's, we had to build more schools in rural areas to meet the higher demand. Today these people make up a labor force whose average age is in the thirties. And looking toward the future, in 2025 this "baby boom" generation will be retiring.

The WORLD POPULATION REPORT published by the FNUAP predicts that in the five-year period from 1990 to 1995 the overall fertility rate (the number of children a woman leaves at the end of her reproductive life) will look like this: Africa, six; Dominican Republic, 3.3; Paraguay, 4.3; Uruguay, 2.3; and Cuba, 1.9, a figure similar to northern Europe.

Dominican Republic

Foreign Secretary Rejects Possible Break in U.S. Ties

PA2208224394 Hamburg DPA in Spanish 2038 GMT 22 Aug 94

[Text] Santo Domingo, 22 Aug (DPA)—Carlos Morales Troncoso, new Dominican foreign relations secretary, has rejected the possibility of a break in relations between his country and the United States.

Morales Troncoso, who until last week was vice president, denied that his appointment as foreign minister resulted from President Joaquin Balaguer's desire to "ease the tensions" that had emerged in relations with the U.S. State Department following charges of irregularities in the 16 May elections.

Morales disregarded the differences that could have possibly arisen in recent months, describing them as "temporary and passing."

The secretary said the United States is the Dominican Republic's most important trading partner and for this reason he rejected the idea that there could be a break in relations between the two countries.

Morales responded to questions from journalists about remarks made in public by former U.S. Ambassador Robert Pastorino and by the current Ambassador Hrinak on the Dominican election process. Both repeatedly denounced irregularities committed in past elections.

Morales said he does not believe that their observations could create any kind of friction or endanger relations between the two countries.

Morales noted that he will work to consolidate relations between the United States and the Dominican Republic and that his position is "most important for serving the Dominican people because good relations with the rest of the world are very important for the country."

Haiti

Jonassaint Official Announces Creation of Foreigners' Office

FL2208191094 Port-au-Prince Signal FM Radio in French 1030 GMT 22 Aug 94

[Text] The Haitian provisional government favors an easier life for foreigners. Foreign Affairs Minister Charles David announced the opening today of the foreigners' office at the Haitian Foreign Ministry. The purpose of this office is to make life easier for those who want to remain in Haiti. The government of Judge Emile Jonassaint is moving toward a good reception for the refugees [as heard].

[Begin David recording] If a foreigner has some problems with an administrative service or is in trouble, well, the foreigners' service within the Ministry of Foreign Affairs will offer him the possibility to reach other services, to reach other ministries through us. Also, through this service there will perhaps be other possibilities [words indistinct] to finally get in touch with other external services. That will be perhaps a bit more—let us say—possible. [end recording]

U.S. residents, mostly Protestants, have preferred to remain in Haiti these last days despite the chronic political instability and the severe international sanctions. The Jonassaint government wants to tint the climate and calm spirits. The foreigners' office is under the protocol service of the Ministry of Foreign Affairs.

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This new service dedicated to the foreigners who, quote, have chosen to share a difficult daily life will be headed by Paul Emile Dorsainvil [no end quote as heard]. This is what Foreign Minister Charles David says.

Jonassaint Government Not Advised on UN Mission

FL2208182294 Port-au-Prince Radio Metropole in French 1045 GMT 22 Aug 94

[Text] The Jonassaint government asserts that it has not been advised about the steps taken in a new series of UN initiatives toward Haiti. The minister of foreign affairs points out that the announcement of the coming of a UN mission to Haiti represents for him some rumors conveyed by the media. Charles David states that he is open to the prospects of moving forward on the Haitian case. He explains that everything will take place in conformity with the criteria established by the provisional president of the republic, Judge Emile Jonassaint; those criteria being respect for national dignity and safeguarding the nation's highest interests. The minister of foreign affairs stresses that any foreign delegations must first go through the current government.

Regarding the statements made by Mr. Butrus-Ghali's adviser, Mr. (DeSoto), to the effect that the UN mission to Haiti could be the last chance, the minister of foreign affairs states, we quote: The government only welcomes the fact that reasonable men are taking some steps and that the logic of war is retreating. [no end quote as heard] Charles David maintains that Haiti does not represent any threat for the international community and that the country only desires to live in peace.

Group Offers Legal Help To 'Victims' of Clinton

FL2208192994 Port-au-Prince Signal FM Radio in French 1030 GMT 22 Aug 94

[Text] The Capois La Mort Organization of Haiti [Organisation Capois La Mort D'Haiti, OCMH previously known as OCL] of Engineer Franck Pierre is offering legal assistance to the victims of presumed culprit Bill Clinton. OCMH announced its program of legal assistance to any individuals or organizations wishing to institute legal action individually or collectively against Mr. William Jefferson Clinton. This is what a press release entrusted to our editorial room this past 20 August says. Engineer Franck Pierre accuses the U.S. President of crimes against humanity. Pierre says the U.S. President has broken the San Jose Costa Rica Agreement for having denied Haitians the right to live.

The Government of Bill Clinton reimposed a total embargo on Haiti at the end of June to enable the return of ousted President Jean-Bertrand Aristide. Those measures concern among others financial transactions from the United States. Clinton just went beyond his rights and remains subject to court action under the laws applicable to those matters, says Franck Pierre. Pierre reiterated his opposition to any form of invasion of Haitian territory.

I should remind you that the UN Security Council authorized the United States to intervene militarily in Haiti following the passage of Resolution 940 on 31 July. OCMH charges Clinton with responsibility for any damages caused to the lives or properties of Haitian citizens as a result of U.S. military agression in a war not declared by the U.S. Congress or by the Government of the Republic of Haiti. Let me remind you that Pierre made these statements on 20 August.

Jamaica

Authorities To Release, Deport Imprisoned U.S. Citizen

FL2008125394 Kingston RJR Network in English 1200 GMT 20 Aug 94

[Text] Governor General Sir Howard Cooke has pardoned 47-year-old Gregory (McGraw), a U.S. citizen who has been at the St. Catherine district prison for the last 16 years. (McGraw) was first sentenced to be hanged after being convicted of murder in the Hanover circuit court on 21 February 1978. The sentence was commuted to life in September 1983. It's understood that (McGraw) will be released as soon as the proper arrangements are made. He will also be deported immediately.

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Agents Arrest Number Two Man in Sonora Cartel

PA2208181894 Madrid EFE in Spanish 0009 GMT 19 Aug 94

[Text] Mexico City, 18 Aug (EFE)—Drug agents arrested Moises Juarez Ledezma, the second man in the Sonora Cartel headed by "capo" Amado Carrillo Fuentes, the Attorney General's Office [PGR] reported today.

Juarez Ledezma, a.k.a. "El Moy" and "El Dienton," had been detained on the 16th [month not given] of this year in the border state of Sonora but was released after a judge ruled that "there were no grounds to process him." The prosecutor appealed that decision.

The PGR said that a court reviewed the case, revoked the previous decision, and again ordered his arrest, which was accomplished on the night of 17 August in the city of Hermosillo, capital of Sonora State.

The suspected drug trafficker has been charged with planting, cultivating, storing, and transporting drugs, the PGR communique said.

The note added that "Moy" has a long history of crime. He has been linked to drug shipments and drug plantations confiscated in various parts of the state.

The PGR recalled that it has dealt hard blows to the organization directed by Amado Carrillo, a.k.a. "El Senor de los Cielos" [The Lord of the Heavens] as several of his properties have been confiscated, including a residence called "A Thousand and One Nights", and two ranches called "Las Minitas" and "Las Trincheras."

Reportage on 21 Aug Mexican Elections

WA0823133994

For reportage on the 21 August Mexican legislative and presidential elections, please see the 23 August Latin America DAILY REPORT supplement entitled: "21 August Mexican Elections."

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El Salvador

Defense Minister Downplays Reports on Human Rights

PA2208175994 San Salvador Canal Doce Television in Spanish 0300 GMT 19 Aug 1994

[Report by Mario Jovel from the "Up-to-Date" newscast]

[Text] Defense Minister General Humberto Corado downplayed the credibility of ONUSAL's [UN Observer Mission in El Salvador] report on human rights, which says that former Army soldiers were involved in criminal activities and recommends that they be brought to justice. The military leader once again rejected the notion that the Army has any death squads or organized crime structures.

The report by ONUSAL's human rights division, which covers 1 March to 30 July 1994, considers it essential that an in-depth investigation be carried out and that former members of the Armed Forces who turn out to be involved in criminal activities be brought to justice. The defense minister downplayed the importance of this document, which was presented to the UN secretary general. Despite the fact that the report states that it does not involve the institution or its high command, Gen. Corado does not give the report any credibility.

[Begin Corado recording] I do not give it any credibility because it is too broad. If it were more specific and listed full names, then I would give it credibility. [end recording]

ONUSAL's latest report could be construed as confirmation of the Joint Commission's report, which said that death squads are still active in the country and that their operations now include common crime.

[Begin Corado recording] The truth of the matter is that the commission did not have the capacity; the groups they mention do not exist within the Armed Forces. We gave them all the facilities for them to investigate us, but they only found one case. [end recording]

Gen. Corado clarified that he does not reject all the Joint Commission's findings; instead, he rejects those reports of a general nature that did not give specific details about people who might be involved in criminal activities for political reasons or who committed common crimes.

Guatemala

Defense Minister: Budget Limiting Investment in Army

PA2208032594 Guatemala City Teleonce Television in Spanish 2000 GMT 18 Aug 94

[From the "Telepress" newscast]

[Text] Defense Minister General Mario Rene Enriquez Morales commented today on the Defense Ministry's operating budget and the limitations confronted in implementing some projects.

[Begin recording] [Enriquez] The president said a few minutes ago that the national budget being implemented is equal to that of 1992. In this respect, the Defense Ministry has been operating with exactly the same budget in 1992 and 1993. During this time period, there were some wage increases. Do you recall the 14th month bonus? It had not been included in the budget. In addition, there was a 110-quetzales increase for all public employees. Naturally, since Armed Forces members are public employees, increases such as those made the defense budget rise. But we had requested much more. In other words, we requested an additional 150 million [currency not specified], which would be equivalent to nearly $25 million. In dollar terms, everything is much more expensive.

Every military aircraft flight from Huehuetenango, Playa Grande, Peten, or the one taking the president to Costa Rica, or the one that took the prosecutor general to (Quatepeque) yesterday, all of these activities are very expensive. In this respect, we need to invest. We have come to the point where we cannot even afford any helicopters. You have seen this yourselves. Just to fly those ancient helicopters we need funds.

The Guatemalan soldier has practically been left with only a rifle to fight. We need to purchase ammunition. There are so many things we need, and not one penny has been approved for military investments. I am very concerned by this situation because the Armed Forces need many things. They authorized an increase solely for operating expenses. If there are any unexpected wage increases next year, and if strikes develop, then I believe they will have to raise the Armed Forces budget.

[Unidentified correspondent] What investments will the Armed Forces cease to make as result of inadequate funding?

[Enriquez] The investments we anticipated. First, expanding the Army Corp of Engineers program to Playa Grande. We have made tremendous progress in this program. I would like to take the opportunity to invite you all to visit the area, maybe when the rainy season is over. You will be able to see for yourselves how much progress has been made. The job is looking really good. We have made a lot of progress in widening the San Marcos-Tacana highway. That is a really splendid job. How about the Chilac-Canoa highway? A lot of progress has been made.

In short, there are many projects currently under way. We need additional investments to repair tractors that have been in use for the past 20 years. We need new vehicles for the Army. We are still using World War II jeeps. The Americans find it very hard to believe that those jeeps are still running, yet it is true.

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We are substituting quantity for quality. The budget, however, does not reflect that quantity for quality substitution because quality is very expensive. [end recording]

Nicaragua

Assembly Debates DID Role, Army Head's Term

PA2208011294 Managua EL NUEVO DIARIO in Spanish 17 Aug 94 p 8

[Report by Edgard Barberena S.]

[Text] The Information Directorate for Defense (DID) will not be allowed to spy on political leaders and other organizations in civilian society, thus its work will be limited to analyzing information on activities that may threaten the country's sovereignty, territorial integrity, or constitutional order.

The decision was approved last night by the National Assembly with 91-percent agreement and was included in Article 26 of the Military Code after the bill was amended by Armando Zambrana of the Christian Democratic Union (UDC), who received the support of Dora Maria Tellez, Luisa del Carmen Larios, and Ivan Salvador Madriz.

This DID article was approved by 44 votes with one vote against (Deputy Doris Tijerino) and three abstentions. Thus one more legislative session was completed with 20 articles approved and the Army head's term set at five years.

Doris Explained Her Vote [subhead]

When the session ended at about 1900, we asked Deputy Tijerino (former national chief of police) why she voted against the article. Her reply was that she totally rejects an organization such as the DID because it "carries out political espionage."

In the plenary session Deputy Tijerino said she could have agreed with Deputy Zambrana's position "because I agree with the criteria and the motivation behind his proposal. Nevertheless, I am concerned that if we assign this work to the DID, there will be nothing for military intelligence to do. One of the two will be redundant."

No More Political Intelligence

Dora Maria Tellez, second in charge of the FSLN [Sandinist National Liberation Front] bloc, explained during the debate on the DID why her bloc supports it "with the understanding that the DID's role is nothing more than what the Constitution outlines because this organization should not undertake any sort of intelligence work on political parties, political leaders, or any sort of social movement leaders."

She announced that the constitutional reforms will include an article that will forbid political intelligence organizations "in whatever form they may be," thus the DID's role (subordinated to the presidency through the DAI—Directorate of Intelligence Affairs) must be exclusively to collect, obtain, process, and analyze information on activities that constitute a threat to constitutional order.

Five Years for the Army Chief

During the session it became obvious that the debates served to overcome the tensions that existed in the Political Bloc Councils. The National Assembly set the Army head's term at five years from the time that person is appointed by the president following proposals by the Military Council.

This article (No. 8) was approved by 46 votes (38 by the FSLN, five by the Center Bloc, three by the UDC, and one by BUR [expansion unknown]) [numbers as published] with 29 against and three abstentions (Alejandro Perez Arevalo, Alfonso Smith, and Saturnino Tijerino) after Dr. Danilo Aguirre took responsibility for the draft bill, which, according to legislative procedures, eliminated a proposal by Conservative Hernaldo Zuniga, who attempted to reduce the term for the Army head.

Debates on the Term the EPS [Sandinist People's Army] Chief Should Serve

The article dealing with the Army head's term generated a debate with 13 interventions by UNO [National Opposition Union], FSLN, and UDC deputies. This debate was opened by Liberal (PLC—Liberal Constitutionalist Party) Deputy Victor Manuel Talavera, who read Article 279 of the Honduran Constitution. Meanwhile, Dr. Hernaldo Zuniga censured the bill's wording, stating that there is no reference to reasons for dismissal.

Zuniga proposed that the head of the Army should serve three years. Engineer Roberto Urroz from the MDN [Nicaraguan Democratic Movement] said that his 13 July proposal—which gave the president discretionary powers—did not appear in the board of directors and asked that it be added to Article 8 of the Military Code.

When Danilo Aguirre inaugurated the "legislative games" to defend the bill drafted by the Justice, Defense, and Government Committees, he recalled that the presidential term in Nicaragua is six years and that the bill intends for the new president to share a good portion of his term with the head of the Army.

"We do not want to create any possible confrontation over the appointment. We want the president and the head of the Army to have a period when they can really get settled in. If the Army head's term is less than five years—we have more than two years before the new president takes office (10 January 1997)—if we leave the term at three years, the new president will have to appoint a new Army head the following year."

Position of Liberal Party Deputies

PLC Deputy Jaime Bonilla and PLI [Independent Liberal Party] Deputy Julia Mena favored reducing the Army head's term.

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Professor Mena said that in the course of a five-year term the military chief "will fall in love with the post." On the other hand, Armando Zambrana of the UDC said that if the Army has 15,000 men and its head can only serve for two years to prevent a dictatorship, "through a perfect syllogism of two premises and one conclusion, the president of Nicaragua, with a population of 6 million inhabitants, should only serve a six-month term."

Five Years Is No Dictatorship

Zambrana said that one cannot say that a five-year term necessarily means a military dictatorship. He cited the United States as an example, where there is no military dictatorship despite the five-year term. "What we need to make certain of is that whenever the term is up, whoever is serving must go." Armando used the example of Cardinal Miguel Obando y Bravo, who holds the post "until God takes him away."

Other speakers who addressed the topic were Deputies Duilio Baltodano, Delvis Montiel, Nathan Sevilla, and Henry Lewites. Once the debates ended, National Assembly President Luis Humberto Guzman called for a vote on Article 8 at 1120.

A More Productive Session

Yesterday's session was the most productive because the Assembly approved the composition of the Army High Command; the duties and authority of the head of the Army (he cannot be reelected to the post); the composition of the General Staff (technical, operational, administrative, and service organizations); and its instructions, personnel, and cadres, military intelligence, operations, and logistical and financial plans.

Regarding the Military Council, the National Assembly established through 59 favorable votes and only two abstentions that this is the highest consultative structure of the High Command for topics relating to doctrine and military strategy. The Military Council will be made up of the heads of the General Staff Directorates, heads of the Command support organizations, Air Force and Naval heads, and heads of major units.

Also approved were articles that refer to the Army General Inspectorate, the structure and composition of the Armed Forces, the types of forces (land, air, and naval), and the articles dealing with common organizations. The debate on articles dealing with the Military Counterintelligence Directorate will continue today.

Parliament President on Withdrawal of UNO Members

PA2008205694 Managua Radio Nicaragua Network in Spanish 1200 GMT 19 Aug 94

[From the "This Morning" newscast]

[Text] The president of the Nicaraguan parliament, Dr. Luis Humberto Guzman, spoke to the local media on Thursday afternoon about the withdrawal of members of the UNO [National Opposition Union] bloc and the articles parliament already has approved. Here are his brief statements to the media:

[Begin recording] [Guzman] Assembly members have had to make great efforts amid a highly polarized atmosphere and display courage and determination to continue this debate, to produce reforms to the current civilian-military relationship, and to advance toward increasing civilian control over the Army.

[Unidentified reporter] [Words indistinct]

[Guzman] I am not speculating here. I am mentioning specific changes that has already occurred.... [pauses] that the assembly plenum has already approved. The current attitude of these deputies differs from the attitude adopted by several of them who negotiated and signed the transition [words indistinct] that specifies that General Ortega will remain as Army chief until 21 February 1995. [end recording]

Panama

Assembly Approves Army Elimination in First Debate

PA2208192094 Panama City LA ESTRELLA DE PANAMA in Spanish 19 Aug 94 p a1

[Report by Esperanza Navarro Francois]

[Text] The Legislative Assembly yesterday approved in the first debate the formation of special police forces in the event of an attack from abroad and the elimination of the army from Panama.

With 41 yes votes, two against, and no abstentions, the assembly approved modifying the various titles, chapters, and article of the Republic of Panama's Political Constitution in the area relating to the army.

The constitutional reforms include Title 12, which establishes that the country will not have an army and that all Panamanians are obliged to take up arms to defend "national independence and the state's territorial integrity."

The reforms also specify necessary police services will be organized, with a separate command and echelon, to ensure public order, to protect the life, honor, and property of those under the state's jurisdiction, and to prevent criminal acts.

The modifications also establish that the police will be an apolitical force. In addition, the changes stipulate policemen will not be allowed to hold "demonstrations or issue individual or collective political statements, nor to intervene in party politics," except for casting their votes. Otherwise, they will be subject to sanctions.

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Perez Balladares Tours Army South Installations

PA2208192194 Panama City LA PRENSA in Spanish 20 Aug 94 p 2a

[By Ibeth Vega]

[Text] During his tour of U.S. Army South bases yesterday, President-elect Ernesto Perez Balladares said that his government he will work togeither with the U.S. Administration to implement the final phase of the Torrijos-Carter Treaties, which will restore full sovereignty to Panama.

Perez Balladares visited the installations of the U.S. Army South, specifically the U.S. military bases on both the Pacific and Atlantic sides.

After the tour, the president-elect stated that his government will work together with U.S. authorities in the final stages of the implementation of the canal treaties.

"For us it is a pleasure to return today because a few days ago, we had the opportunity to tour part of the Southern Command installations, and we are doing the same with those of the Army South today," Perez Balladares said.

He added that the North Americans "have been our guests in Panama for a very long time, and we have maintained relations for many years, and thus, we know that we will work very smoothly in the implementation of the final phases of the Panama Canal Treaties, and I am sure that our peoples and governments will continue to progress together beyond this century."

The tour of the president-elect, who accepted an invitation by Army South Chief George Crocker, started at Fort Clayton in the morning and continued at Albrook and Howard later.

In the afternoon, Perez Balladares and his delegation, along with U.S. authorities, traveled by air to installations on the Atlantic side and returned to Fort Clayton, where an improvised news conference was held.

The Torrijos-Carter Treaties, signed in 1977, will end U.S. military presence on 31 December 1999. Southern Command installations will be transferred to Panamanian hands.

Cuba's Robaina: No Talks With Panama on Ties

PA2208184994 Panama City EL PANAMA AMERICA in Spanish 20 Aug 94 p A-6

[Report by Juan Manuel Diaz C.]

[Text] During a stopover in Panama, Cuban Foreign Minister Roberto Robaina said that resumption of diplomatic relations between Cuba and Panama is not a topic in the current talks between the two countries.

During a technical stopover on his way to Ecuador, Robaina did not rule out the possibility that in the near future both countries may resume diplomatic relations, although he said that no talks have yet been held on this.

The diplomat said that both countries have communications and commercial relations, but so far there has been no rapprochement toward raising this relationship to diplomatic levels.

Regarding the crisis that has arisen in Cuba the last few weeks, he said that "the true causes lie outside the country" and blamed the United States for encouraging destabilization in Cuba.

He said that the Cuban Government only seeks to safeguard the accomplishments it has managed to consolidate over the past 30 years, which the U.S. Administration wants to end.

He added that no country but the United States is interested in destabilizing the Cuban Government and added that Cubans will defend their project.

During the past month there has been an increase in the departure of Cubans for the Florida Keys in all types of craft, which has increased tension between Cuba and the United States, the Cuban foreign minister concluded.

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Argentina

UK Extension of Falklands Exclusion Zone Rejected

PY2308235694 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2303 GMT 22 Aug 94

[Text] Buenos Aires, 22 Aug (NA)—On 22 August, the Argentine Government officially rejected the UK decision to extend the exclusion zone around the Malvinas Islands. It anticipated that it would inform fishing companies and the foreign ministries of the countries whose fleets operate in the area that it would disregard the said measure.

The note rejecting the UK decision was submitted to Peter Hall, UK ambassador to Argentina, this afternoon during a meeting that he held with Foreign Minister Guido Di Tella.

The latter termed London's decision "a silly thing, which will only serve to make us put forth fresh demands."

Foreign Minister Views Extension

PY2208195394 Buenos Aires BUENOS AIRES HERALD in English 22 Aug 94 p 2

[Text] (DYN)—Deputy Foreign Minister Fernando Petrella yesterday rejected the possibility that Britain could unilaterally increase its fishing zone around the Malvinas Islands.

"The existence of the (sovereignty) dispute is internationally recognized," Petrella said, "and even if it is a question of protecting natural resources Great Britain must accept the cooperation of those who have interests in the area."

Foreign news agencies reported over the weekend that Britain's Foreign Office had decided to expand its current 150-mile exclusion zone around the islands while remaining within the 200-mile recognized territorial limit. British officials said the move had been planned for some time and was intended to protect against increased poaching.

Foreign Minister Guido di Tella had predicted that Britain would take retaliatory measures after the Constituent Assembly voted last week to approve a clause affirming Argentina's claim to sovereignty over the South Atlantic islands.

"(Argentina) will not accept any extension" of Britain's zone around the islands, said Petrella.

British diplomatic sources declined to comment.

Petrella said the issue will "not necessarily" be raised during talks between British Home Secretary Michael Howard and Argentine officials this week.

"It would be like (Interior Minister Carlos) Ruckauf going to London and discussing bilateral relations," explained Petrella.

Constituent Delegates Repudiate UK Decision

PY2208235394 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1928 GMT 22 Aug 94

[Text] Santa Fe, 22 Aug (NA)—The Constituent Assembly's Congressional Work Committee has approved a resolution stating its "strong repudiation" of Great Britain's decision to extend the exclusion zone around the Malvinas Islands in reprisal for the Constituent Assembly's inclusion in the Constitution of a paragraph reaffirming Argentina's sovereignty over the islands.

The resolution also ratifies "the firm Argentine decision to include reaffirmation of sovereignty over the archipelago in the Constitution."

The resolution says: "The inclusion of the Malvinas clause in the Constitution expresses the national commitment to recover the islands, honor the dead and living heroes of the South Atlantic conflict, and ratify for future generations the intention to return the islands to the nation."

MODIN [Movement for Independence and Dignity] was behind the initiative. Movement leaders said: "It would be an offense and a discredit to each and every one of the constituent delegates if the reprisal by the usurping power, which has decided to extend the exclusion zone, were not unanimously rejected."

Constituent Assembly Approves New Constitution

PY2308020794 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2119 GMT 22 Aug 94

[Text] Santa Fe, 22 Aug (NA)—The new National Constitution that the Constituent Assembly approved today has 129 articles and 17 temporary provisions.

The reforms introduced into the Constitution added 19 new articles to the 1853 text, amended 40 items in existing articles, and added a new chapter on New Rights and Guarantees.

The outstanding points of the new Constitution, which will become effective at 0000 on 23 August, are the following:

INSTITUTIONAL ORGANIZATION

—The president and the vice president are elected in direct elections. Their term lasts four years and they can be reelected once.
—President and the vice president candidates will compete in a runoff election when neither obtains 45 percent of the votes, or 40 percent with a 10 percent advantage over the candidate in second place.
—The figure of chief of cabinet is created.

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—As of 1995, each province will have a third senator elected by local legislatures to represent the minority.
—The city of Buenos Aires will have an autonomous government and the mayor will be elected in direct elections.
—The existence of political parties and the state contribution to maintain them is recognized.
—Ordinary congressional sessions are extended to nine months.
—Congress must approve needed and urgent decrees and delegated legislation.
—Initiatives and questions to the people are introduced as mechanisms of semidirect participation.

CONTROL ORGANIZATIONS

—The National General Auditor's Office is created. It will be headed by a representative of the largest opposition group.
—The Attorney General's Office is established as an independent entity.
—The position of an independent and fully autonomous ombudsman is created.

JUDICIAL BRANCH

—The Council of Magistrates is created.
—As of 1999 judges will retire when they reach 75.
—Supreme Court justices will be designated by the president and confirmed by the Senate with the votes of two thirds of its members.

FEDERALISM

—A new system of federal revenue sharing will be approved before 31 December 1966.
—Provinces may establish regions for their economic development.
—Free and equal schooling principles are guaranteed in the public school system. Also guaranteed are autonomy and self-sufficiency for national universities.

INTERNATIONAL TREATIES

—Nine international treaties on human rights, like the San Jose de Costa Rica Pact and the Declaration on Children's Rights are incorporated.

NEW RIGHTS

—Petitions of amparo, habeas corpus, and habeas data are incorporated.
—User and consumer rights are promoted.
—The prior ethnical existence of indigenous peoples and their rights, as well as the common ownership of lands they traditionally occupy, are recognized.
—The protection of children from pregnancy until the end of their elementary education is established.

[Buenos Aires NOTICIAS ARGENTINAS in Spanish at 2224 GMT on 22 Aug adds the following: "Constituent Assembly Chairman Eduardo Menem closed the deliberations of the Constituent Assembly at the 3 February Theater in this city at 1920.

["Eduardo Menem delivered a speech and formally closed the work of the Constituent Assembly delegates who amended the Constitution."]

Prenatal Right to Life Guaranteed

PY1908183194 Madrid EFE in Spanish 1435 GMT 19 Aug 94

[Text] Buenos Aires, 19 Aug (EFE)—The constitutional reform that will be promulgated on 24 August includes a guarantee by the Argentine State to the right to life between gestation and the breast-feeding period.

This guarantee is the outcome of an agreement between constituent assembly members from the ruling Justicialist—Peronist—Party and the main opposition party, the Radical Civic Union (UCR), who met in Santa Fe, 550 km from the federal capital.

The new constitutional text will require Congress to issue a special law on the "defense of life," without censuring abortion which is already prohibited by current legislation.

The new constitutional text states that Congress must approve a law on "special and integral social security to defend children between pregnancy and the elementary school period."

The future law will also protect mothers "during pregnancy and the breast-feeding period."

Legislators who oppose abortion sought to include the word "conception" instead of the word "pregnancy," but the move was not accepted.

Peronist legislator Alberto Garcia Lema explained that the new Constitution "will force the state to protect a mother so that economic problems will not influence her decision to have a child."

The constitutional condemnation of abortion was promoted by Argentine President Carlos Menem, who supports Pope John Paul II's position. It has prompted serious controversies among legislators who advocate a woman's "liberty of conscience."

Amparo, Habeas Corpus Writs Passed

PY1908150194 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1130 GMT 17 Aug 94

[Text] Santa Fe, 17 Aug (NA)—The incorporation of the writs of amparo, habeas corpus, and habeas data into the Constitution was carried by 213 votes to one at the Constituent Assembly.

The debate on these initiatives had initially been slated for 16 August at 1300 local time, but disagreement between the Radical Civic Union and the Justicialist

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Party over the extension of President Carlos Menem's tenure, among other things, caused the vote to be postponed until around 1900.

The motion that was passed establishes that "anybody may file a petition for amparo against any act that harms, restricts, alters, or threatens constitutional rights and guarantees."

It also indicates that "the confidentiality of press sources shall not be affected." It moreover underscores that a petition of habeas corpus—even under a state of siege—"may be filed by the defendant, or any other person on his behalf."

Before the vote on this motion the Constituent Assembly had begun debate on the defense of competition, users, and consumers, as there was not a quorum for the vote.

The debate on the writs of amparo, habeas corpus, and habeas data was concluded on 12 August, when the Constituent Assembly decided to adjourn until 16 August at 1000 local time.

Bolivia

Cardenas on Possible Andean Pact, Mercosur Tie

PY2008000594 La Paz PRESENCIA in Spanish 9 Aug 94 p 1

[Text] Bolivia hopes to become a link between Andean Pact and Mercosur [Common Market of the South] countries, seeking to create a free trade zone between the two subregions. This strategy is part of the Bolivian project to link the Pacific with the Atlantic. The proposal was presented by Vice President Victor Hugo Cardenas at the recent summit of the Mercosur presidents in Buenos Aires.

International Economic Relations Secretary Mario Reyes, who attended the summit with Foreign Minister Antonio Aranibar in Buenos Aires, told us the proposal was well received by Mercosur countries and has the support of Andean countries, especially Peru.

Bolivia made important progress in Buenos Aires in its strategy of rapprochement with Mercosur when formal mechanisms of exchange were approved. Reyes said Bolivia will negotiate a free trade agreement with Mercosur before the end of this year.

The Buenos Aires Declaration reiterates "the willingness of Mercosur countries to allow Bolivia to participate as an observer on work groups and other institutional mechanisms when its presence is considered of mutual interest."

Reyes pointed out that during the meeting on 5 August in Argentina, Bolivia formally proposed the establishment of mechanisms to link Mercosur, with the possibility of a trade agreement.

Bolivian officials proposed the start of negotiations on matters related to trade, customs, fiscal policy, energy, and transportation as well as the establishment of juridical mechanisms for the mutual protection of investments and trade agreements to create an export corridor.

Bolivia could become the link in a free trade hemispheric zone. The Andean Group is negotiating final agreements to establish a common external tariff, and Mercosur is doing the same. The two agreements could converge into a joint trade agreement.

A meeting of presidents of the Andean Group could be held next September. This would be an opportunity for President Gonzalo Sanchez de Lozada to propose a rapprochement between Andean and Mercosur countries.

Aranibar Views Foreign Ministry's Achievements

PY1908185894 La Paz HOY in Spanish 31 Jul 94 p 11

[Excerpt] Government authorities are satisfied with the international policy they have implemented during the first 12 months in power. Foreign Minister Antonio Aranibar said continuity plus change has yielded important results that will be appreciated in the future.

Aranibar commented that continuity and change in foreign policy, promotion of exports and commerce at a bilateral and multilateral level, and maintaining Bolivia's presence in the political and economic level in the international arena are the main achievements of the Foreign Ministry during its first year.

Aranibar said the Foreign Ministry and the executive branch have engaged in tasks within a framework of continuity and change "in all fields of true national interest."

The minister said a great effort has been made in the international field through trips abroad by President Gonzalo Sanchez de Lozada and his aides. Positive results have helped to project an image of a reliable country.

Aranibar said: We thus fulfilled one of our main objectives: To reflect a plural, varied country with a great national identity.

He asserted that the Bolivian presence abroad reflects a nation that acts with determination in its foreign relations and places the Bolivian stamp on the various sectors.

He commented that this year is a year to sow, to implement effective, fruitful accomplishments that are necessary for our future.

Aranibar—the leader of the Free Bolivia Movement—asserted that efforts are being made in the economic integration field through economic and bilateral cooperation agreements and the possibility of free trade agreements.

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He added that emphasis was been placed on promoting exports and investments for which the Economic Promotions Secretariat was created.

Aranibar said: "These past 12 months or so have marked important changes in the activities of the Foreign Ministry, which has placed special emphasis on international relations in compliance with decisions by the president of the Republic and this ministry."

He added that great efforts have been made to place Bolivia in the international arena by "reflecting a broad and competitive image."

In his assessment, Aranibar highlighted the integration policy to which President Gonzalo Sanchez de Lozada has granted continuity.

He said this continuity is reflected in the Andean Pact, the Cartagena Agreement, Mercosur [Common Market of the South], NAFTA, and all the other efforts toward Latin American integration.

In addition to all this, he highlighted the bilateral economic agreements with neighboring countries and the possibility of an agreement with Mexico, "which opens the door to NAFTA." [passage omitted]

Minister Denies Increased Number of DEA Agents

PY2208162294 La Paz LA RAZON in Spanish 14 Aug 94 p A2

[Text] Government Minister German Guiroga has categorically rejected rumors about the increasing number of DEA [Drug Enforcement Administration] agents in the country and the alleged installation of a DEA operations base in the country.

Quiroga said that so far that organization has no more than 15 agents throughout the country, a number which includes the administrative personnel who support the "specific tasks" they are carrying out in Bolivia.

Quiroga admitted that the Special Antinarcotics Force (FELCN) is using U.S. planes that arrived in the country as part of the U.S. cooperation with the "New Dawn" operation which began a month ago.

He explained, however, that the FELCN personnel are "all Bolivians."

Concerning the rumor about the installation of a DEA base in Pando, Minister Quiroga said that both the FELCN chief and the prefect of that department have requested a reinforcement because "they have detected signs that drug trafficking is moving toward that area, being viewed as an important center for exporting drugs to Brazil and Europe. This is the reason for the frequent trips to that region."

Coca Eradication Agreement Not To Be Fulfilled

PY2208165894 La Paz LA RAZON in Spanish 14 Aug 94 p A2

[Text] Government Minister German Quiroga has told LA RAZON that the organizations in charge of promoting the voluntary eradication of the coca crops in the country will not reach the goal agreed upon with the U.S. administration within the framework of the agreement for the fight against drug trafficking and support of the balance of payments.

Minister Quiroga said that President Gonzalo Sanchez de Lozada has made the political decision not to eradicate a single coca leaf by force, but to support the replacement projects and the alternative development plan.

"The government believes that to make cocaine not only coca is necessary, but also the precursors. Therefore, the Special Antinarcotics Force (FELCN) has been ordered to make all possible efforts to prevent the entry of precursors into the Chapare, the main zone where there are excessive coca crops," Quiroga said.

According to the evaluation of the latest operations, the strict control of chemicals earmarked for drug trafficking has helped reduce the coca price by more than 50 percent—from 200 bolivianos to 70.

With this drop in the coca price and the implementation of an adequate alternative development policy, the government feels that the voluntary replacement of coca crops will be achieved, and to the extent possible, the agreement with the United States will be fulfilled.

Minister Quiroga explained further that said agreement—renewed until 30 September—was signed more than a year ago, and that the original agreement signed in July 1993 provides for the eradication of 5,000 hectares from 1 January 1993 to 31 December the same year [dates as published].

Since that objective, which included a disbursement of $40 million to support the balance of payments granted by the U.S. Administration in exchange for the eradication of coca crops, was not achieved, an initial negotiation was carried out to extend the deadline, and it was decided to extend it for one year and three months, until 30 March 1994, to eradicate the original 5,000 hectares.

"That deadline also was not met, and an alternative different to that proposed by the U.S. officials has been submitted such that the agreement will not only be related to the eradicated hectares, but also to the antidrug fight. That proposal was not accepted, but negotiations began for the extension of the deadline to 30 September," Quiroga said.

Of the 5,000 hectares orginally agreed upon to be eradicated as of 1 January 1993, a little more than 2,900 hectares were eradicated. Thus, 2,100 hectares are still to be eradicated, plus 500 additional hectares requested by the U.S. Government because of the difference in time from January 1993 to September 1994.

Quiroga said that if the voluntary eradication of the 2,600 hectares established as goal for the Bolivian Government is not achieved, the U.S. Government will make a disbursement proportional to the eradicated coca crops.

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"The agreement signed establishes that there is a parity between the amount of eradicated crops and the support of the balance of payments, based on a rule of three: If we eradicate 50 percent, the United States will disburse $10 million," Quiroga said, referring to one of the points established in that document signed between Bolivia and the United States.

COB Evaluates Government's First Year as 'Bad'

PY2208132594 La Paz HOY in Spanish 31 Jul 94 p 5

[Text] On 6 August the government will complete one year of its mandate. Various democratic institutions and organization are beginning to assess the promises made during the electoral campaign. The Bolivian Labor Federation [COB] estimates that the first year of the current government "was bad."

In the labor union leaders' opinion, the current government, a fervent upholder of a free market economy, up to now has not executed any of the promises made during the electoral campaign of current president Gonzalo Sanchez de Lozada.

COB leader Lucio Gonzales asserted: "The 'movement's' [Nationalist Revolutionary Movement-MNR] campaign focused on three issues: the struggle against corruption, poverty, and the creation of 500,000 job opportunities. But none of these three objectives has been fulfilled."

In his opinion, the corruption cases that have been detected have not been punished in compliance with the law, as the government had promised. Gonzales added: "These crimes have been and are settled through political agreements; their authors are protected by the impunity shield in democracy."

Upon referring to the struggle against poverty, the COB leader said that this problem has increased alarmingly. He based this statement on the latest UN report (97 percent of the Bolivian peasants are poor) and stated that these figures loyally reflect the inhuman Bolivian real situation.

When referring to the promise to create 500,000 job opportunities, Gonzales asserted that President Sanchez de Lozada, who is regarded as a center-rightist politician, has done quite the opposite and had dismissed approximately 10,000 workers.

The Labor Ministry, in turn, reiterated that at least 60,000 job opportunities were created in 1994. In the COB's opinion, the great number of street vendors resulting from the economic model currently used in Bolivia cannot be regarded as new job opportunities because 10,000 workers have, in fact, been dismissed.

Gonzales added: What is more, the unemployment rate has not dropped from the worrisome 25 percent. If the neoliberal economy were coherent, unemployment would not surpass 3 percent because, according to the government, that is the rate at which the economy grows.

The COB believes it is responsible for the government's first political defeat, during the first three months in power. The COB, however, does not admit having been defeated at the same level when several militants of the governing MNR obtained posts within the COB Executive Board, after the Tenth Workers Congress was held.

Gonzales stated: "I believe we politically defeated the government in November. They made a mistake in dismissing thousands of workers. We obtained the reinstatement of 400 workers with our actions."

Gonzales said: From that political-social situation the workers experienced a tactical and organized withdrawal, because they were strengthened and had greater political conviction on concluding their struggle, which was later reflected in successful rallies.

As a result of the workers' struggle, criticized by the most radicalized sectors of the union sector, the COB achieved the creation of the Relief Plan—which pays 500 bolivianos to the unemployed worker from productive companies—and the Part-Time Job Plan which have not yet yielded the visible fruits.

The important officialist presence within the COB is not taken as a political defeat by the opposition union leaders, although some of their radical colleagues state that current board members have been designated by Labor Minister Reynaldo Peters.

According to Gonzales, negotiations carried out between the COB and the government in April 1994 were also favorable to the workers because the government retreated in its goals of privatizing the education and health services. "We have achieved labor stability within the companies, increase of the debated 9 percent, and the unity of workers in difficult times characterized by state and entrepreneurial repression," Gonzales said.

According to him, wage earners have recovered much energy during the past social actions, despite the government action against them. He predicted that the next three years that still remain to the government of President Gonzalo Sanchez de Lozada will be tough because of the three laws that were imposed (Capitalization, Popular Participation, and Education Reform).

Brazil

Ricupero Announces Export Promotion Measures

PY2208210594 Sao Paulo AGENCIA ESTADO in Portuguese 2317 GMT 19 Aug 94

[Report by Isabel Dias de Aguiar]

[Text] Sao Paulo, 19 Aug (AE)—Finance Minister Rubens Ricupero today announced a set of export promotion measures, noting that they should not be considered compensation for the exchange rate gap, but rather as permanent measures in a broader policy of foreign commerce. The announcement was made during the

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closing session of the Foreign Commerce Forum held in Sao Paulo. According to Ricupero, Brazilian exports will be benefited by a reduction in federal taxes and, after negotiations with governors, by a reduction in state taxes; credits will be granted to small and medium-sized enterprises; insurance will be granted on international credit; and special incentives will be granted to sectors such as the shoe and textile sectors, which are confronting competitiveness problems abroad, caused by the competition of Asian countries.

Brazilian exports will receive BNDES [National Bank for Economic and Social Development] support, through Finamex [expansion unknown], which this year will receive approximately $400 million, Ricupero announced. The federal budget had provided for an allocation of only $200 million. The cost of this financing will be competitive at an international level, the minister promised. BNDES is also preparing credit lines for commercial promotion, in areas like the financing of travel and hotel expenses abroad, merchandising expenses, and the opening of enterprises' offices abroad.

In the fiscal area, the package that the government announced today provides for a revision of the IPI [tax on manufactured products] structure, in order to correct distortions in the Brazilian tax system. The list of IPI exemptions will be enlarged, and the period of validity of Law 8191, which benefits the capital goods sector, will be extended. In addition, the government announced the exempting of the PIS [Social Integration Program] contribution for exporters of nonprocessed goods and for trading companies. PIS and Cofins [Social Security Contributions] fiscal credits will be granted on raw materials and intermediate products purchased or used for the production of goods that will be exported.

In a later stage the government will create instruments to grant insurance on credits for exports. Ricupero said that the Superintendency of Private Insurance, the Institute of Reinsurance of Brazil, and the National Insurance Federation are studying the creation of such instruments.

Chile

Insulza: Government 'Pleased' To Receive Robaina

PY2208191094 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1800 GMT 22 Aug 94

[Text] Foreign Ministry Under Secretary Jose Miguel Insulza has said the Chilean Government will be pleased to receive Cuban Foreign Minister Roberto Robaina. Insulza referred to remarks by UDI [Independent Democratic Union] members who declared the Cuban foreign minister persona non grata. He said:

[Begin recording] We are very pleased over Robaina's visit; as pleased as we would be with the visit of any other representative of a government that wants to talk with us. UDI members have the right to express their opinion on the matter. I am not surprised by their remarks because we understand this is the political opinion of their party. We will receive the Cuban foreign minister because we have a large number of subjects to discuss with him. This is how international relations work, based on dialogue and discussions on pending matters. [end recording]

Robaina Begins State Visit

PY2308001694 Madrid EFE in Spanish 2145 GMT 22 Aug 94

[Text] Santiago, Chile, 22 Aug (EFE)—Arriving in Santiago on 22 August for a four-day state visit, Cuban Foreign Minister Roberto Robaina said that rather than discussing the resumption of diplomatic relations between Chile and Cuba, he will try to inform Chileans of his country's reality.

Robaina said he wished Chileans knew Cuba's reality better. He further stated that Fidel Castro's administration "is not seeking any mediation in the conflict between Cuba and the United States because, above all, Cubans and Americans are very aware of our respective stances."

He added: "If people are interested and if it is useful to know what Cubans think of the conflict, that is very important. But I am not touring the hemisphere trying to find mediators."

The Cuban foreign minister was received at Santiago's international airport by Foreign Ministry Under Secretary Jose Miguel Insulza.

Having given a brief news conference, Robaina went to downtown Santiago, where he met with Senate President Gabriel Valdez and Chamber of Deputies President Jorge Schaulsohn.

He will be interviewed by Chile's state television channel, by a radio station, and by the conservative newspaper "EL MERCURIO." He will later dine with leaders of the Socialist Party.

On 23-24 August, Robaina will hold several meetings. He will first meet with his Chilean counterpart, Carlos Figueroa, and then with other government officials and political leaders, including those from the opposition right-wing National Renewal party.

Computerized War Games With U.S. Held at War Academy

PY1908183594 Santiago EL MERCURIO in Spanish 3 Aug 94 p C3

[Text] Officers of advance studies of the Chilean Army General Staff and the U.S. Army Command School yesterday began their first computerized joint tactical exercises at the War Academy.

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The computerized maneuvers, which are being held at the Ceotac (Tactical Operation Center) use software written entirely in Chile. They are conducted within the framework of the Chile-94 United Forces maneuvers that have been routinely held with U.S. forces since 1985.

The opening ceremony was headed by Brigadier General Sergio Moreno Aravia, chief of the Military Institutes Command. Also in attendance were Colonel Louis D. Huddleston, commander of the U.S. Army United Forces Command Group; Brigadier General Juan Emilio Cheyre, War Academy director; and instructors and students from the War Academy, from Fort Leavenworth, and from the School of the Americas command and general staff.

General Cheyre stressed the incorporation of computer science in traditional war games, noting that it reaches such perfection that it simulates almost completely real combat surroundings.

He said the Chilean Army has made a specific contribution with simulation equipment by supplying an effective, efficient, economic, and ecologically sound package that optimizes human resources.

The U.S.-Chilean "Command Post" exercises will last 12 days.

Colombia

President Repeats Policy of Peace Process

PA2208173894 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0130 GMT 21 Aug 94

[Report by Daniel Garcia Pena from the "AM/PM" newscast]

[Text] In an emphatic communique released today, President Ernesto Samper made it very clear that he is the one who gives the orders and makes all decisions with respect to the policy on the peace process.

Samper overruled assessments and opposition by the military leadership, the defense, and government on the issue. In addition, he described these assessments as mere personal opinions.

This tongue lashing consolidates the position of Peace Commissioner Carlos Holmes Trujillo.

In a strong communique, President Samper stated emphatically that his administration has only one peace policy and that the only spokesman responsible for making this public is High Commissioner for Peace Carlos Holmes Trujillo. According to the president, any other statements made by other public officials in his administration should be construed as personal opinions.

It was immediately clear that President Samper's statements were aimed at Armed Forces General Ramon Emilio Gil Bermudez, who yesterday described a FARC [Revolutionary Armed Forces of Colombia] communique as questionable. The general's public statements came at a time when the president and the high commissioner were evaluating the communique and acknowledging its positive aspects.

But the presidential reprimand was also directed at the government and defense ministers, who on several occasions have made loose statements about the peace process. These statements have prompted observers to believe that there are disagreements within the government.

[Begin recording] [High Commissioner for Peace Carlos Holmes Trujillo] I have pointed out on several occasions that the overseer of these policies is the president of the Republic.

[Garcia] What role do the other ministers and public officials play in the peace process?

[Holmes] It is their responsibility to act in a coordinated manner, but always following President Samper's instructions. [end recording]

Even though the high commissioner for peace said yesterday that the climate is still not right for negotiating with the guerrillas, he did not set any conditions for a dialogue, as the media tried to bait him into doing.

[Begin Holmes Trujillo recording] The government has no fixed position on this issue; neither does it have an inflexible game plan. It anticipates that there will be some genuine willingness on the part of the subversives. It also anticipates that there will be genuine disposition from various levels of civilian society. [end recording]

In this manner, the government leaves the door open to eventually begin negotiations amid a war scenario.

In this respect, the ELN [Army of National Liberation] recently issued a message addressed to the forum taking place in Florida Blanca, Santander, where they expressed their doubts on the government's unity with respect to the peace issue. Nevertheless, they welcomed calls made by the new administration for new paths leading to reconciliation.

Military Commanders Declare for Samper

PA2208181994 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 1800 GMT 21 Aug 94

[From the "Cripton Newscast"]

[Text] Members of the High Military Command met at the General Santander Military Academy throughout the morning. The meeting's main conclusion was to obey President Samper fully in his handling of relations with the guerrillas.

President Samper's communique, released a few hours ago and declaring that no officials—including members

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of the High Military Command—other than High Commissioner for Peace Carlos Holmes, can issue statements on Samper's peace policy, did not rub the commanders the wrong way.

[Begin recording] [Army Commander Major General Hernan Jose Guzman Rodriguez] I support him as Army commander. We support and obey him because in this country the commander in chief is the president of the Republic.

[Unidentified reporter] Don't you think it is contradictory for the guerrillas to keep acting as [words indistinct] while the government paves the way for peace talks with them?

[Guzman] These things must be studied by the high commissioner for peace to determine the policy to follow.

[Reporter] Now that you've visited Pereira, the results of the investigation can confirm that the military erred by boarding a bus with a considerable number of civilians.

[Guzman] Sublieutenant Rocha just tried to stop the ELN [National Liberation Army] criminals from robbing the bus passengers and stealing staple-carrying trucks. [end recording]

Factors Influencing Contraband Trade Viewed

94CA0144A Santa Fe de Bogota EL ESPECTADOR in Spanish 22 Jul 94 pp 1, 3B

[Text] Santa Fe de Bogota—The open trade in contraband, and the underinvoicing of imports, may perhaps be an inevitable result of the fact that traffic in narcotics is illegal.

This is one of the conclusions reached in a study conducted by Fedesarrollo [Federation for Development], which warned, however, that "the obvious costs of legalizing this activity (the narcotics traffic) should be compared to the potential benefits, which must necessarily include a significant reduction in the incentives to engage in such traffic."

The study also recommends, among other things, that the penalties for contraband be reintroduced and that the laundering of dollars be classified as a crime.

It maintains that although the recent administrative changes may have facilitated contraband trade, "to say they have caused it would be very unwise."

The Fedesarrollo study, *Evolution and Determining Factors of the Contraband Trade in Colombia*, by Roberto Steiner and Cristina Fernandez, was written to explain why—despite the ongoing process of opening our borders to world trade—contraband trade has increased significantly instead of decreasing.

The study—which was financed by the Bank of the Republic—is based on the premise that "as long as economic incentives are present, contraband trade will continue to be a problem."

Using a Chilean study, the Fedesarrollo study states: "If the economic incentives are sufficiently great, the controls simply cease to be effective."

The study finds that the existence of differentials both in exchange rates and in interest rates serves to explain a significant part of the problem of underinvoicing.

"These differentials do not exist by accident," the Fedesarrollo study says. "They are caused, among other things, by the existence of controls on the mobility of capital and by the segmentation of the foreign currency market into a formal sector and an informal sector."

The study concludes that although a measure of liberalization appears to have taken place in the capital account, "much remains to be done."

"A far more complex matter, in our opinion," Fernandez and Steiner say in their study, "is the fact that Colombia's problem with respect to the differential in exchange rates is completely atypical, because of the presence of the narcotics traffic."

They state that legalization of the narcotics traffic—or at least the free movement of the financial resources generated by that traffic—is a prerequisite for elimination of the enormous incentive to launder money through the medium of traditional commercial transactions and open trade in contraband.

The study reminds us that narrowing the differential in interest rates is not an elementary mechanical process. For example, if the domestic rates are higher than the rates abroad—adjusted to allow for expectations of devaluation—the only thing that speeding up the nominal devaluation will do is to generate expectations of a future rise in the rates, so that not only would it fail to achieve the objective of diminishing the anticipated differentials in profitability but might actually increase them.

The study reached the same conclusion as a National Planning study concerning the national tariff structure, namely that a flat tariff should be adopted.

"In order to reduce the incentives to underinvoice through the medium of technical contraband," the Fedesarrollo study says, "we believe it advisable to consider the advantages of introducing a *flat* tariff such as the one already in effect in Chile."

Doubts Concerning Minimum Prices

The Fedesarrollo study calls into question the minimum price mechanism that was put into effect in the textile sector. The study concludes that this mechanism is feasible only with regard to automobiles.

The study compiles a series of proposals for dealing with the problem of contraband trade. Some of these proposals are being implemented—to a lesser extent—by DIAN (Directorate of Tariffs and National Customshouses).

These proposals are:

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1. The issuance of receipts when there are differences in the valuation of imported merchandise. This mechanism already exists, according to a DIAN spokesperson.

2. The physical appraisal of merchandise, when justified by the origin of the imports and when occasional or nontraditional importers are involved. This is already being done, according to the same DIAN source.

3. Have private companies unify the customs mechanisms of the public sector. This system has been adopted in Peru, where one must possess validated import and export certificates before shipping merchandise. To prevent the system from becoming ineffective, it should logically be contracted out to companies that have a long tradition and great prestige in this area. In the opinion of the DIAN expert, this system has failed miserably in other countries.

4. Public valuations of merchandise, with the trade associations participating in the control of imports.

5. Verify the origin of all imports on a regular basis rather than sporadically, as is the case at present.

6. Make contraband trade a crime punishable by measures such as imprisonment, as occurs in the United States. The DIAN spokesperson maintains that this would be a step backward.

7. Be extremely careful in establishing zones for free trade with countries that have unquestionably proved to be points of origin for contraband destined for Colombia. In these cases, the mechanisms for issuing regulations concerning the origin of merchandise should be formulated and controlled with extreme care.

The Fedesarrollo investigators agree in part with the DIAN spokesman, namely that implementation of certain of these proposals would constitute a reversal of the process of facilitating trade.

"But neither should one be dogmatic in this matter," the study says. "There are probably rational procedures that could be effective in mitigating the contraband trade scourge without having to resort to traditional interventionism, which according to our calculations has not prevented contraband trade from increasing."

The study goes on to say that "if the useful process of dismantling obstacles—and facilitating trade negotiations—that has taken place in recent years is to be reversed, then measures to supplement those already taken should be considered, including the following:

"1. Punish as a crime both the laundering of dollars and the contraband trade, whether such trade be technical or open.

"2.Institutional modernization should be stimulated. The timely and efficient compilation of prices of reference should become a priority activity, and also the training of the personnel who are in charge of the control activities.

"3. Consider the possibility of involving foreign private agencies that specialize in *certifying* international trade operations.

"4. Assess the wisdom of having combined the Customs Service and the Tax Administration in a single institution."

Ecuador

Indians 'Satisfied' on Agrarian Reform

94SM0434A Guayaquil EL UNIVERSO in Spanish 16 Jul 94 p 2

[Text] The Indian segment of the population, through its principal leader, Luis Macas, expressed satisfaction over the gains achieved with the reform of the Law of Agrarian Development.

The Indian leader said that more important than obtaining the reforms was the fact that a precedent has been established for the country not to repeat the experience of passing a law hurriedly and without the direct participation of the groups affected by it.

Reform Will Continue

Macas, president of the Confederation of Indian Nationalities of Ecuador (CONAIE), explained that the reforms that were achieved following 10 days of discussions basically involve the continuation of the process of agrarian reform, with land expropriation, the right to use water, and the treatment of problems or court cases involving land.

Macas said that the new draft law established that the process of agrarian reform in the country will continue, and that it must be strengthened because there are still many Indians and many Indian communities without land.

The law that was passed said that anyone could buy or sell his land, and that the land itself was subject to the law of supply and demand. We never agreed to this, said Macas. Therefore, he continued, we managed to have the National Institute for Agrarian Development (INDA) made responsible for regulating everything regarding land, and that it be the organization that exclusively decides which lands can be purchased and which can be sold.

He added that the INDA will also be responsible for land registry and deeds, that is, it will be exclusively a regulatory agency, just as IERAC [Ecuadorian Institute of Agrarian Reform and Settlement] was, although the latter agency was very defective.

Expropriations

Macas disclosed that another important achievement through the reforms regards expropriation of land. We have obtained the inclusion of demographic pressure as a reason for expropriation, he said. Expropriation will

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take place not only because of inadequate use of the land, but also if a large number of persons live near the land and lack the wherewithal to work and to survive.

In addition, we have managed to have INERHI [Ecuadoran Institute for Water Resources] made the regulatory organization for the use and exploitation of water.

We have succeeded, he emphasized in conclusion, in having INDA made responsible for studying and resolving problems regarding land ownership.

Forest Resources, Deforestation Reviewed

Wood Industry Summarized

94WN0358Z Quito EL COMERCIO in Spanish 25 Jun 94 p A-16

[Text] The industry generates 100,000 direct jobs and 250 indirect ones. The deforestation fluctuates between 150,000 and 200,000 hectares per year.

Ecuador's wood industry sells 30 percent of its production on the international market, including agglomerate boards, furniture, moldings, and components for construction. The rest is consumed by the local market.

The Ministry of Agriculture and Livestock's (MAG) Agrarian Sector Reorganization Program spokesmen claim that the average annual growth in the sector's exports since 1988 has been six percent.

According to the Association of Wood Industrialists (Aima), this development was curtailed by the state's lack of a consistent policy for promoting the industry.

The wood producers expect the common external tariff (AEC) to materialize, as well as the opening of other markets, and a reduction in the tariff paid for imported capital goods from 10 to 5 percent.

The results in the case of forests are obvious: During 1992, wood business owners invested $5 million, compared with income from exports totaling $35.529 million, according to Jose Franco, the Aima director.

The bulk of the wood exports lies in the agglomerate boards and plywood categories, followed by balsa wood, as a new item in this industry. According to the Central Bank, its sales during 1993 rose 80 percent over the total for the previous year.

Aima believes that the furniture and parts sector has prospects for becoming a scale exporter, after the reconversion period that it is undergoing.

Of the total percentage of boards exported, 40 percent are intended for international trade, and the rest for domestic consumption.

There are in Ecuador 694 companies engaged in furniture manufacture, 566 in the sawmill industry, 13 in paper goods, six in plywood, and two in agglomerates, and the remainder is completed by the 2,500 firms operating in this sector.

The wood industry absorbs 100,000 direct jobs and 250,000 indirect ones.

Nevertheless, not everything is rosy.

Whereas the wood producers consume 2.5 million cubic meters of wood per year, a study by the International Tropical Woods Organization (Itto) reveals that 9.5 million cubic meters of woods are felled in the country annually.

A total of 72 percent of the wood obtained from felled woods in Ecuador is used in the construction industry (a million cubic meters per year). The rest is used for firewood, or rots on the site.

Reforestation Problems Viewed

94WN0358Y Quito EL COMERCIO in Spanish 25 Jun 94 p A-16

[Text] To control deforestation, the Ecuadoran Forest Institute for Natural Areas and Wildlife (Inefan) is promoting a national plan, contributing up to 75 percent of the total cost of the planting in any part of the country.

The annual deforestation in Ecuador affects approximately 200,000 hectares, and reforestation has covered only 66,000 hectares per year for the past 10 years, as revealed by a study made by the private consulting firm Multiplica.

Aima claims that 50,000 hectares are being reforested annually.

According to Aima studies, the country has 3.2 million hectares of accessible forests, and 5 million of inaccessible forests, on a total area of 27 million hectares, 42.63 percent of which are covered by woods.

The board industry uses 150,000 cubic meters of wood per year, representing a consumption of from 8,000 to 10,000 hectares of woods: that is, 5 percent of the total deforestation.

International Market Examined

94WN0358X Quito EL COMERCIO in Spanish 25 Jun 94 p A-16

[Text] The wood and byproducts exported by Ecuador have evoked the interest of the And. partners' markets, owing to the free trade facilities in the area.

According to economic reports from the Central Bank, plywood, pressed wood, and finished items are the most valued.

The largest Andean purchaser of processed goods is Venezuela, followed by Colombia and Peru.

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During 1992, Venezuela purchased 17,316 tons of products, paying $10.4 million; while Colombia is increasing its purchases.

According to the Broadcasting Institute, we have no commercial contact with Bolivia, in contrast to the sizable flow of trade going to Chile, Argentina, and Panama.

The national companies engaged in exporting wood are established in Esmeraldas, Guayaquil, Cotopaxi, and Quito.

Deforestation Condemned

94WN0358W Quito EL COMERCIO in Spanish 25 Jun 94 p A-16

[Text] The wood industry is facing harsh criticism from Ecuadorian ecological groups.

The indiscriminate felling of woods, particularly that in the wet tropical forest, is being scored, because it is taking place without regard for the damage caused to nature by the disappearance of native species.

On the other hand, Aima [Association of Wood Industrialists] claims to be reforesting 150,000 hectares per year, and has announced the implementation of a "Forest Cultivation Program."

This undertaking is aimed at improving forest management and reforestation in the country, a task that it will share with San Francisco de Quito University.

Statistics from the Agriculture Ministry reveal that 97 percent of the wood industry's production comes from native Amazon Region forests, and only 3 percent from the forests planted in the country.

The largest native forests are located in Zamora-Chinchipe and Morona-Santiago Provinces, and part of Napo Province, in the east, and in Esmeraldas on the coast.

The Agriculture-Livestock Sector Reorganization Program defines the sources of wood for the industries and countries for which it is destined:

Silviculture: consisting of balsa wood and cane, exported to the United States and Europe.

Between 1988 and 1992, it accounted for 42.8 percent of the total for the sector.

Semiprocessed: including plywood, lathed, and agglomerate boards.

They are exported to the Andean countries, the United States, Europe, and Japan. With a high national value added rate, they represented 45.1 percent of the total for the wood sector during the five-year period 1988-92.

Processed: consisting of moldings, frames, doors, furniture (parts and pieces), and parquet.

During the period analyzed, they represented 12.1 percent of the total for the sector.

The Forests in Ecuador (in hectares)

Natural forests	11.5million
Agriculture and livestock raising	7.7million
Salt marshes	19,000
Shrimping grounds	93,000
Forest plantations	78,000
Land with forest potential	2,587,000
Other uses	5,096,000
Protective forests	3.3million
Productive forests	8.2million
Accessible forests	3.2million
Inaccessible forests	5 million

Source: Association of Wood Industrialists, Aima.

Mangrove Forests at Risk

94WN0358V Quito EL COMERCIO in Spanish 10 Jul 94 p A-1

[Text] The mangrove thicket, which still covers the Esmeraldas coast, is at serious risk of disappearing, dying.

The Taura syndrome, affecting the shrimping grounds in the southern part of the country, has made the northern section of the aforementioned province an ideal site for transferring the crustacean's breeding pools.

Several agencies claim that the shrimping industry is the one mainly responsible for the destruction of the mangrove forests on Ecuador's coast.

A report from the Center for Integrated Surveys of Natural Resources by Remote Sensors (Clirsen) indicates that, in 1987, the mangrove forests covered 173,962 hectares. The salt marsh areas covered 12,279 hectares, and the shrimping ground pools, 115,230.

Until approximately 1979, the salt marsh areas had been used for the construction of pools, but they soon became insufficient when faced with a frenetic shrimping industry.

Since then, the country has observed (as a witness, not as a leading player) a dramatic card game: mangrove forests versus shrimping grounds. It has been given an incentive by regulations on the breeding and cultivation of bioaquatic species, prohibiting the use of soils with agricultural potential for such purposes.

Every year, the outlook for the mangrove forests is changing, along with the statistics. The green savannas are growing smaller in the same proportion that the pools are expanding.

There are various government agencies and laws in the country intended to protect the mangrove forests. However, the dispersion, inconsistency, and lack of coordination are clearing the path for their death.

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Peru

Foreign Ministry Secretary General Designated

PY1908235194 Lima EL COMERCIO in Spanish 5 Aug 94 p A4

[Text] The Foreign Ministry reported yesterday that Eduardo Ponce Vivanco, current ambassador to Ecuador, has been designated Foreign Ministry international policy deputy director and foreign relations secretary general.

Ponce Vivanco has a broad diplomatic career and is currently Peruvian ambassador to Ecuador.

He was also Peruvian permanent representative to the Latin American Integration Association (ALADI), which is headquartered in Montevideo, and was alternate representative to the UN European office in Geneva.

The Foreign Ministry's note states that Ponce Vivanco held diplomatic posts at Peruvian embassies in Japan and in the United Kingdom, as well as in the Peruvian Foreign Ministry.

Dincote Arrests Top Shining Path Terrorists

PY2208180194 Lima Global de Television Network in Spanish 0130 GMT 20 Aug 94

[Text] The Dincote [National Counterterrorism Directorate] has dismantled the Shining Path Regional Metropolitan Committee by arresting 18 of its members, perpetrators of several attacks, including those on Hotel Crillon, the Foreign Ministry, and the house of reporter Patricio Rickets Rey de Castro. Most of them were introduced to the press. They were charged with treason to the fatherland.

The operation conducted by Dincote agents made possible the arrest of 18 terrorist members of the Shining Path regional metropolitan committee. They were members of the special detachments that were operating together with the zonal committees south and north of Lima. They are responsible for many attacks, including those perpetrated against the Hotel Crillon, the Foreign Ministry, the Peruvian Air Force Funeral Service Department, and the home of journalist Patricio Rickets Rey de Castro, among others.

The arrested terrorists are: Alejandro Garcia Hernandez, 30, alias Comrade Gustavo, who was operating within a political command and who was carrying several substances and Shining Path propaganda material; Olga Bezerra de la Cruz, 49, alias Comrade Iris, member of the southern command detachment; Aurelio Aquino, 24, alias Comrade Elizardo, of the central zone military command committee; Juan Reinaldo Castro Nunez, 24, alias Comrade Gustavo; (Dante Juan Maihuacate), 22, alias Comrade Daniel; German Apagueno Perez, 46, alias Comrade Manuel; Ambrosio Cordoba Zurita, 32, alias Comrade Bel; Magdalena Palomino Galindo, alias Comrade Raquel; Victor Curva Salvatierra, Shining Path support organizer; Gilberto Gumataco, Shining Path support organizer; and Juan Taipe Chilvilze, member of the regional metropolitan committee.

Moreover, the following terrorists have been placed at the disposal of the courts: Francisco Alfredo Zaavedra, alias Comrade Adrian; Abdulia Palomino Galindo; Ofelia Lopez Velazquez; Liz Artemio Luna Zalazar; Aldo Eduardo Palomino Zino; and Leopoldo Marcainco Carvajal.

In addition, the Dirandro [Antidrug Division] presented Lucio Enrique Tejero Guzman, one of the biggest Peruvian drug traffickers, who had contacts with the Colombian and U.S. mafias, and who was said to have installed the first clandestine laboratory for the manufacturing of cocaine paste in our country.

Lucio Enrique Tejero Guzman, 48, born in Tumbes, a drug trafficker who already served a prison term in the United States for the possession of 535 kg of cocaine hydrochloride, was arrested at 1700 yesterday in his residence at 1135 Velazco Astete Avenue, in El Surco, a year after returning to his hometown.

The arrest of this drug trafficker with an extensive criminal record has been possible thanks to the action of the DEA [Drug Enforcement Administration] intelligence service and the Peruvian antidrug police.

Tejero Guzman was presented today to the press by the Dirandro, which seized 8 kg of cocaine hydrochloride and a 700-gram package of cocaine paste, in Miraflores. The police also seized a submachine gun, two revolvers, two pistols, a precision scale, ammunition, and equipment to silence automobile sounds.

New Red Faction's Struggle Against 'Feliciano' Viewed

94SM0439A Lima REPORTE ESPECIAL/DESCO in Spanish Jun 94 pp 7-8, 13

[Article by "C.R." and "M.G."; "Guzman Fighting Feliciano—Shining Path Battles Over Peace Agreement"]

[Text] One of the leaders of the pro-Guzman faction (the self-styled New Red Faction) outside prison was Moises Limaco Huayascachi, who had been thought to be one of Feliciano's men. However, when he was arrested, Limaco had in his possession several letters which the Shining Path Central Leadership (Martha Huatay, Osman Morote, Maria Pantoja, and others) had gotten to him from the Yanamayo prison. Those letters contain instructions concerning armed activity and propaganda for the pro-Guzman faction outside.

These letters reveal several things:

First: There is contact between the Shining Path leadership in prison and the pro-Guzman faction; it is not very fluid or open, but it does exist, and through it Guzman and the so-called Central Leadership guide the members of their faction who are on the outside.

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Second: Considering the highly secure prison system, this contact has to be known and allowed by at least one organization at the highest state level; everything suggests that that organization may be the National Intelligence Service.

Third: The pro-Guzman group is now a minority but significant faction at least in Lima; this faction opposes the Central Committee majority led by Oscar Ramirez Durand (Feliciano).

Fourth: Guzman's followers continue to conduct armed actions, but in order to strengthen their negotiations with the government. Their primary target is neither the government nor the Armed Forces; instead, they attack the "opposition to the peace agreement" (they include in this category a broad sector ranging from the Feliciano faction to the government's opposition parties), and they intend to suspend all these actions as soon as Guzman gives the order.

Fifth: Both Guzman and his followers expect that the government will make concessions to them so they will continue their fight against the Feliciano faction; specifically, they expect that Guzman will be allowed to make a press appearance. Sixth: There is an internal conflict in the Guzman faction. On one side are people who do not want a complete break with Feliciano, while others consider him a "revisionist monster." In addition, some people think armed actions should be halted now, and others believe they should be continued to keep pressure on the government.

Looking ahead, due to the unfavorable context for continuing the armed "people's war," the Feliciano faction is now growing weaker, while the Guzman faction, for the same reason, is gaining strength. But in the short term it is clear that the winner is the government and the state. The disturbing thing is the mid-term. If the Guzman faction is allowed to remain standing, will it resume terrorism later?

Following is a detailed summary of the documents confiscated from Moises Limaco.

Letter From the Imprisoned Central Leadership

Among the documentation confiscated from Moises Limaco Huayascachi at the time of his arrest by police agents from la Pascana (Comas) were a series of working documents that came from one of Peru's prisons. One of those documents contains the latest "directives" from the Central Leadership headed by Abimael Guzman from his cell in the Callao Naval Base. The document seems to have come from the Yanamayo prison.

The manuscript is addressed to members of the NFR [New Red Faction], supporters of a Peace Agreement, who received it in May.

One point of the document deals with the Second Campaign Plan.

This is a series of propaganda actions during May and June to promote the Peace Agreement proposed by Abimael Guzman and also to recognize and strengthen his leadership.

The document does recommend that military actions not be halted, as this "has not been proposed." The document states: "The problem is to make sure this will be obeyed by the majority of the party's bases."

As part of this propaganda, it is recommended that two videos be released: "They should remain disguised for the time being."

It announced that in mid-June there would probably be an "appeal by President Gonzalo [Guzman]; if not...we will have to apply pressure for a peace agreement."

In the second point, related to the conflict between two party lines (L2L), the Guzman faction is urged to condemn "the ultraleftist line of the majority of the members of the Central Committee outside...we do not recognize the members of the CC [Central Committee] outside who reject and do not submit to the leadership of PG [President Gonzalo], primarily the responsibility of Feliciano and of those who hold the same views."

The third point, entitled "Some Questions of Party Work," considers guidelines for preparing for the Second Congress. The NFR members are called upon to devote this entire year to a major strategic ideological campaign to enter the "Party's Fourth Phase," "a strategic ideological campaign for decades to come, as there will be no future great wave without Maoism."

They outline a Schema of Gonzalo Thought, stating that the Party's Fourth Phase begins with the proposal for the peace agreement and the "new great strategy."

At the conclusion of the third point, the document's authors accept the new leadership proposal made by the NFR.

Finally, the Central Leadership appeals to its followers:

"It is essential that every month a cc...(no names are given) come to bring reports and collect directives that we will probably have by the end of this month (the cc. has gone to...) and we can maintain fluid and necessary communications to promote the LAP and SB [expansions unknown] Second Congress." The Central Leadership also asks its free comrades to send them old Party documents and says they are sending documents in response to the Feliciano faction.

The Anti-Feliciano Pamphlet

Another document that Limaco Huayascachi, along with Jose Morales Ramal and Tupac Yupanqui Astuquilca, had when he was arrested was a pamphlet called "Uniting the People to Defend the Leadership, Laying Foundations for the Second Congress!" In this document written at the end of May Feliciano's followers are

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described as a "tiny group of third-rate soldiers overwhelmed by political adventures who are trying to undermine the revolution, by denying the correct and New Great Decision of President Gonzalo himself."

According to this pamphlet, opposing Gonzalo Thought and President Gonzalo is an attempt to repudiate and divide, and it is the law that when someone raises his hand against the party and its leadership, that hand will be cut off.

Referring to Feliciano's faction, the document states that they "erroneously called for an armed strike on 17 May...generating a useless social cost." The document also accuses them of "endangering the life of our President Gonzalo."

The pamphlet concludes with several orders, including: "Promote the historic need to suspend actions except defensive actions," and "We demand that the government reopen talks for the Peace Agreement."

The pamphlet was signed in May 1994 by the "Communist Party of Peru," the signature which Shining Path has used for 24 years.

The Statement by the PCP "Bases"

In addition to those documents, a statement by Guzman's followers outside of jail was also confiscated. It was also dated May and was signed by bases of the Central Committee, Popular Assistance, Metropolitan and Lima Committee.

"We reaffirm that we will not take a single step without the personal direction of President Gonzalo," it states.

Then they praise Guzman's letters. But they say that "after the first letter was revealed, the essence of the second was crudely mutilated, and the third was cunningly concealed by the government."

They also condemn the "infamous campaign by revisionists, opportunists, politicians, and the whole crowd of lackeys who oppose the peace agreement and President Gonzalo."

They report that *"after President Gonzalo's appeal, the government should suspend all repressive action in order to prepare for the peace agreement."*

A final point to be noted is the mention of subversive actions by what they call the "ultraleftist faction."

"Actions like the Hotel Crillon, the FAP [expansion unknown] mortuary in Lima, and the residence of journalist Patricio Ricketts, the selective burning of vehicles and acts of destruction are contrary to the accords of the Plenum and the latest directives of our sole leadership, and they do not represent the party's positions. Instead, they lend themselves to the traffic of those who oppose the Peace Agreement and revive unburied cadavers. We reject these belated actions, leftovers from the agrarian war that ended with the Third Strategic Development Plan of the People's War."

Internal Disputes in the Guzman Faction: Ra. Against F.

The last document contains comments by an NFR leader who signs as "c.Ra.," someone who may be outside but could also be in prison.

He discusses the statement by the PCP [Communist Party of Peru] bases, but begins by praising the directives of the Central Leadership of Yanamayo ("DC in Y"). He proposes to his comrades that a contact be sent to Yanamayo to receive directives and propaganda videos. "There are two videos...there are two statements," he notes.

He also cites the need to "demand that President Gonzalo be presented to and interviewed by the national and international press."

Then he comments on the proposal by a certain "c.F." to form a Committee of Delegates to meet with Guzman. "Ra." says "preparations are proceeding on a specific plan." Then he harshly condemns "F" for his "conciliatory position of making concessions to the ultraleftist line." He also condemns him for trying to accelerate the formation of this committee and sidestepping the central leadership.

"F" should play an important role in the negotiations because he is said to have the "responsibility for coordinating with us," but he is criticized for "trying to put himself forward."

Later "Ra" refers to the Lima Base as "the reality, right now, of the New Red Faction being created outside."

In the most important lines, "Ra" criticizes the statement by the PC bases because in some of its paragraphs "they mention Fujimori and the Armed Forces as a target, clashing with the tactics and specific policy of political and diplomatic dealings.... Our President Gonzalo calls upon us to pursue the fight against the opposition to the Peace Agreement."

Then he says it is not true that the second letter was "mutilated in its essence"; instead, it is the product of "discussion, agreement, and an arrangement between both parties." Concerning the third letter, "Ra" says it was not the central leadership that concealed it and that the government's action is natural, as "there has been no suspension; therefore, nothing can be demanded from them."

"Ra" goes on to propose that "not only should an appeal be made for the cessation of actions of the GP [People's War] but there should also be a proposal made for the 11 points of the Base Guidelines (for a peace agreement), appointing a commission implies that we may go out publicly in an open manner, without any sort of concealment...."

Finally, the criticism made of another point of the statement by the PCP bases is also interesting. "Ra" says:

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"...saying 'belated actions, leftovers from the agrarian war,' is totally inappropriate; that is being offered as a salve to leftism so it will attack the AP (peace agreement). As they made an attack against the life of PG [President Gonzalo], these are counterrevolutionary actions, not just 'belated actions.' So consider carefully what you are saying." Then he adds other criticisms of the New Red Faction's pamphlet and questions the use of the term "PCP bases," and even the date. "It is not appropriate to write statement by the Central Committee Base. It is either the Central Committee or it is nothing. And the date should be June, not May."

This document also outlines a plan of action for mid-June. There is basically talk of propaganda actions and another mention of two videos as "the principal actions, and depending on conditions, interviews."

Videos, the toys used to locate Guzman after one of his hideouts was raided in June 1990, have become an obsession for all his followers.

Political Violence Statistics for June 1994

94WR0212Z Lima REPORTE ESPECIAL/DESCO in Spanish Jun 94 pp 5-6

[DESCO Special Report No 38: "Political Violence in Peru Today," issued by Peru's Center for Development Studies and Promotion (DESCO)]

[Text] During June, 115 subversive attacks were reported, causing the deaths of 42 persons. As we explained in another article, this time our statistics include both press information and the incidents included in the records of a state agency. During May, our figures were based on press information, as they had been previously.

Lima was still the site reporting the largest number of subversive acts. Thirty-eight attacks (33 percent) were committed by Shining Path [SL] in the capital.

Almost half of the acts occurring in Lima were of the agitprop type, in various zones. That is, they were invasions of human settlements, work centers, and universities, where they put up red banners, painted SL slogans, and defended the armed struggle.

Moreover, SL committed seven acts of sabotage, mainly against bank branches, using the holdup method on as many as five occasions. Beverage distribution trucks, a bakery, and health centers in human settlements were affected. Finally, there were three selective assassinations in the capital's outlying districts.

The Jungle region ranked second for attacks, with 24 acts (20 percent), seven of which were confrontations between the forces of law and order and the subversive groups. The MRTA [Tupac Amaru Revolutionary Movement] participated in only one confrontation. Furthermore, SL invaded various settlements and hamlets on as many as nine occasions. Other acts included armed agitprop.

Third place was occupied by the Center regional committee, with 19 attacks (16 percent). Eight of these acts were SL invasions of various towns. They also committed two acts of sabotage and the same number of harassment acts.

The regional committee of the North ranked in fourth place, with 15 attacks (13 percent). The subversive acts in this zone consisted primarily of invasions of settlements and propaganda activities. In other instances, they attempted to obtain supplies of food and money. Perhaps the most significant incidents are associated with the attack on the Entel Peru [National Telecommunications Enterprise of Peru] repeater in Huancabamba, and the summons to an armed strike in that province.

Fifth place was taken by the Principal regional committee, with 10 attacks (9 percent). There were three selective assassinations and two invasions. One was at a farm in the Sacsamarca district of Huancasancos, and the other at the central market in Huamanga, where they demanded shares.

The regional committee of the South took sixth place, with four attacks (3 percent). Three of these were acts of armed agitation in Arequipa and Juliaca.

The regional committee of the North, for its part, occupied seventh place, with three attacks (3 percent). Here, there was one selective assassination, one act of sabotage, and one propaganda act. Two attacks occurred in Barranca, and the other in Canta, respectively.

In last place for attacks was the Middle South, with two (2 percent) occurring. Both acts took place in Ica, one involving propaganda and the other, sabotage.

Insofar as victims are concerned, ranking in first place was the Jungle regional committee, with 21 deaths (50 percent). Eleven of them involved civilians; four, members of the Armed Forces; and six, subversives. Ten of the civilians were assassinated during a Shining Path invasion of the Monzon district, in Huamalies; and four soldiers were killed in an SL ambush in the Colpa zone of Huallaga Province.

Lima ranked second for victims, with eight deaths (19 percent). Two of the victims were neighborhood leaders. On the other hand, in an attack (committed by common criminals), two guards and a member of the National Police were killed.

The regional committee of the Center ranked third, with seven victims (17 percent). In Junin, three corpses were found, and in Oxampampa, one; all attributed by the police to subversive groups. In Tarma, a young man was assassinated by unidentified persons with a grenade.

The Principal committee held fourth place, with five victims (12 percent). Two of those killed were political authorities assassinated in Huancasancos and Victor Fajardo, respectively. Taking last place was the Middle North, with

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one death (2 percent). The victim was a neighborhood leader in Santa Rosa de Quives, in Canta Province.

Terrorist Attacks by Region: June 1994

Lima: 33 percent; Jungle: 21 percent; Center: 17 percent; North: 13 percent; Principal: 9 percent; South: 3 percent; Middle North: 3 percent; Middle South: 2 percent.

Victims by Region: June 1994

Jungle: 50 percent; Lima: 19 percent; Center: 17 percent; Principal: 12 percent; Middle North: 2 percent.

Victims and Attacks by Regions in June

Lima Region: Victims: Armed Forces: 0; Police Forces: 1; Civilians: 4; Subversives: 3; Total: 8; Attacks: 38.

Jungle Region: Victims: Armed Forces: 4; Police Forces: 0; Civilians: 11; Subversives: 6; Total: 21; Attacks: 24

Center Region: Victims: Armed Forces: 0; Police Forces: 0; Civilians: 7; Subversives: 0; Total: 7; Attacks: 19

North Region: no victims; Attacks: 15

Middle North Region: Victims: Armed Forces: 0; Police Forces: 0; Civilians: 1; Subversives: 0; Total: 1; Attacks: 3

South: no victims; Attacks: 4

Middle South: no victims: Attacks: 2

Principal: Victims: Armed Forces: - ; Police Forces: 0; Civilians; 4; Subversives: 1; Total: 5; Attacks: 10

Total: Armed Forces: 4; Police Forces: 1; Civilians: 27; Subversives: 10; Total: 42; Attacks: 115

Disparity of Economic Activity, Unemployment Discussed

94SM0438A Lima PERUPAZ in Spanish Jul 94 pp 8-9

[Article by Percy Uriarte and Jaime Carbajal: "Paradoxes of Today's Economy"]

[Text] Any person who observes the evolution of the Peruvian economic indicators cannot be other than impressed. The figures for the past two years speak to us of a country in uncontrollable expansion. They reflect the Peruvians' productive energies, liberated and materializing in the form of billions of investment dollars. And when these statistics are expounded on by the governmental apologists, it even seems as if the Peruvian economy is on the verge of becoming a new paradigm of successful development.

A walk through the streets of the country's various cities, however, takes us into a very different reality. The productive rebound, so clearly evident in the figures, is still a considerable distance away from having reached the Peruvian people on the whole.

Inflation is in a steep decline, foreign investment is arriving in torrents, reserves are exceeding historic records, and our productive apparatus is in full recovery. These indices lead many analysts to the false conclusion that we are experiencing an economic boom. But is progress in these areas being accompanied by the creation of jobs and a rise in the society's standards of living? No. Simply and categorically, no. That is the response we get from the government's own statistics. According to the Ministry of Labor and Social Development, employment in Metropolitan Lima touched bottom as recently as the start of this year, and has remained there (see graph [not reproduced]).

Numbers and Reasons

During the first quarter of this year, the reference employment rate increased barely 0.3 percent, while with respect to 1993 it did not increase at all. If we annualize this figure, it totals not even 2 percent for the year. The latter figure must be compared with calculations by recognized economic experts that production growth will reach around 7 percent during 1994, and that this trend will continue unabated during 1995.

Paradoxically, therefore, despite the rise in production, the demand for workers remains stagnant. This phenomenon calls for an explanation, inasmuch as economic theory, regardless of its orientation, posits substantial degrees of employment-level response to production increments. In the past, scant responses have been attributed to high labor costs, which put a damper on contracting for new labor. At the present time, however, this argument lacks validity, considering that, since 1992, a quite flexible labor legislation has been in effect that permits the minimizing of labor costs and fosters mobility of the labor factor.

The question may then well be asked: If labor-cost constraints have disappeared, why does employment not rise significantly? A difficult question. We do not believe in some of the answers offered by some analysts, who postulate the rise in productivity as the reason for the slump in the generation of employment. The magnitude and extent of the phenomenon renders this argument less than credible. Nor is the phenomenon sufficiently explained by alluding to the length of maturity of the investments, despite the fact that the largest of these are oriented toward the long term.

In reality, the explanation revolves around the scant generative nature of the sectors that are spearheading the rebound of the productive apparatus, principally, primary activities and the industries connected with them. What is occurring is therefore a localized rebound that does not involve the majority of the productive sectors, except marginally.

Following the boom in primary activities, such as fishing and mining, experienced last year, construction and a few manufacturing sectors took over as the activities powering the rise in growth. Construction expanded 27.5 percent

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between January and April 1994 in relation to the same period in 1993; industry expanded 14.8 percent during the same period. As of the end of 1993, these sectors had already grown 13.5 percent and 6.7 percent respectively.

One of the causes of this change in emphasis, aside from the innovations that have taken place in the capital market, and their effects on interest rates and the availability of financing, is that the presence of abundant quantities of foreign capital has generated a positive effect on aggregate demand. The latter, in turn, is exerting pressure on the level of activity in construction and other sectors. There are branches of industry, however, that are unable to respond efficiently to the increments in demand. Added to this is the fact that this rise in consumption capacity is unquestionably localized and confined to certain strata of the population and consequently to the goods demanded by those strata.

Consumption Capacity

According to figures published by Apoyo S.A., the number of basic market baskets that can be purchased with the fixed income of a family at socioeconomic level A has risen from 7.9 in December 1992 to 11.7 in April 1994. On the other hand, the number of basic baskets that can be purchased by a family at level D has risen only slightly from 0.8 to 0.9. It follows that the distribution of the recovery of demand is skewed in the direction of certain products (cars, durable consumer goods, household electrical appliances, housing, entertainment and leisure services, etc.), many of them imported.

According to Apoyo, the consumption capacity that is exhibiting the most growth, in relative terms, is that of those who are earning the most. The purchasing power of socioeconomic level A increased 13.5 percent during the first four months of 1994, while that of level D rose about 8 percent.

Services and More Services

An eloquent indication of the rebound's nonproductive skew is that the labor group whose income has risen the least is that of the skilled workers. It rose less than the overall average, and even less than that of the unskilled workers. In the majority of economies, growth stimulates the demand for skilled workers, and this tends naturally to raise the price of their services. We are in the presence, therefore, of an indicator of the scant production-intensiveness of the current recovery.

An additional verification of this fact can be arrived at through employment indicators relative to occupational branches in Metropolitan Lima. Those receiving the greatest impetus toward recovery have been the different service branches, followed by construction, real estate activities, and a few manufacturing sectors closely tied to mining activity, such as basic metal goods. Sectors on the other hand such as foods, beverages and tobacco, machinery and equipment, and paper, printing and publishing, for example, are running at below the average level of employment in Lima.

The case of trade, especially that of the retail sector, is even more critical. This sector is continuing its sustained downhill slide as regards the generating of jobs, weighed down as it is by unequal competition against the informal trade sector. It should be pointed out that employment contributed by the formal retail trade sector has dropped to a mere 40 percent of its contribution prior to the August 1990 restructuring. Could it be that this sector has still not completed its restructuring process? We doubt it.

Besides, it is important to point out that this behavior differs radically from the Chilean experience, wherein the formal trade sector experienced a substantial rebound in the wake of the economic stabilization process. An example of this is provided by Santiago's modern and prosperous trade centers. There, the sector became an important source of employment for our southern neighbor's population.

Corollary

In conclusion, although the results of the economic program are amply positive, they exhibit certain weak points, such as regards the generation of employment, and the prior, cited external sector. These weak points underscore the need for caution and objectivity in evaluating the steps undertaken to date. We are at considerable risk of forging a model of exclusive development, confined to the higher-income economic strata and incapable of responding to the expectations of well-being that the recovery awakens in broad sectors of the population. It would be idle to dwell on the dangers of not being able to satisfy those expectations. Our recent past is there to remind us of them.

Population Expected To Be 26 Million By 2000

94SM0440B Lima EL PERUANO in Spanish 10 Jul 94 p A2

[Text] According to the census, the population of Peru was 22,639,443 persons as of 11 July 1993. It is estimated that it will reach 23,087,867 persons in 1994. If population growth continues at this rate, the total will be about 26 million by the year 2000.

These figures were announced yesterday by Felix Murillo, the head of the National Institute of Statistics and Information Science (INEI), in connection with the celebration of World Population Day tomorrow, 11 July.

On the subject of population growth, he said that the increase of 2 percent per year in the period between censuses was calculated on the basis of the numbers of births, deaths, and foreign migratory movements reported for each year. More than 630,000 babies are born in Peru each year, while there are about 160,000 deaths. From this annual rate, the international migration balance is deducted.

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Murillo Alfaro added that population growth and development constitute one of the most serious problems to be faced in the modern world. In order to make suitable decisions, it is essential to have extensive and updated statistical information.

In this connection, he emphasized that the INEI is serving the country by providing the authorities with abundant census information that is reliable and can be updated for use in making decisions. Also, the investigators, specialized bodies, and customers in general can use this information to study various aspects of the sociodemographic complex of problems in depth. He said that at this crucial time, we must all of us in positions of responsibility join our efforts and our thinking in the search for solutions. This alone can make it possible to hope for a better future for our children and the coming generations.

The head of the INEI added that according to the 1993 census figures, there were 1,784,281 illiterates 15 years of age or older in the country. This figure shows a decline of 15,177 individuals in the illiterate category from the figure reported for 1981.

Out of a population of 13,678,682 persons 15 years of age or older, 1,726,120 have had no education, while 7,648,632 completed primary school and at least one year of secondary education (56 percent). The figure for 1981 was 41.6 percent.

Murillo Alfaro said that the average number of years of schooling completed by the Peruvian citizens 15 years of age or older was 7.7 years, representing the second year of high school. The level for men, 8.3 years, is higher, and that for women is 7.1 years. The average for the urban areas is nine years of schooling, while the average for the rural sector is only 4.1 years.

He said that the results of the 1993 National Population Census showed that the total labor supply, or economically active population 15 years of age or older, came to 7,110,000 persons.

In connection with the Housing Census, he said that 5,099,592 housing units were counted in 1993. When this is compared with the figure obtained in 1991, an approximate increase of 121,000 housing units per year, representing an annual rate of increase of 2.8 percent, can be seen.

Government To Support Family Planning in Cairo

94SM0440A Lima EL PERUANO in Spanish 9 Jul 94 p A4

[Unattributed article: "Population Conference Will Not Recommend Abortion"]

[Text] Einar Sandved, the director of the UN Population Activities Fund (UNPAF), explained yesterday that the Conference on Population and Development to be held from 5 to 13 September in Cairo, Egypt, is not intended to promote or legalize abortion.

"The only mention made of the issue in the draft plan of action for the conference is the statement that abortion is a serious problem, in view of the large numbers of women who have recourse to it and die," he said.

He made these statements in response to the charges that Peru's position at the Cairo conference will be in favor of abortion. "Peru has clearly defined its population policy, and the Conference on Population and Development does not intend to oppose any legislation," he said.

Carmen Lopez Cisneros, the president of the National Population Council (CONAPO), said for her part that the consensus document to be debated in Cairo does not recommend the practice of abortion.

In this connection, she voiced her concern about the distortion of this issue and the attempt to confuse the public about it. She attributed these attitudes to disinformation about the position of Peru on abortion and about the contents of the draft program of action for the conference.

She explained, moreover, that the provisions of this consensus document are not normative in nature, but are instead a list of recommendations.

She added that Peru does not favor abortion. On the contrary, Peru wants to eliminate it by promoting family planning and health protection for mothers.

This official also indicated that the abortion issue is not the only one that will be discussed at the Cairo conference. "There are other topics on which the various participating countries could not achieve a consensus at the meetings held to prepare for the conference in Egypt in September. They include the migration issue," she said.

In this connection, she stated that at the Cairo meeting, an effort will be made to draft a text on which a consensus of all the countries can be achieved. However, this does not mean abandonment of the establishment principles," she said in conclusion.

Uruguay

Article Views U.S. Foreign Policy Over Cuba, Haiti

PY2208223694 Montevideo EL OBSERVADOR ECONOMICO in Spanish 12 Aug 94 p 2

["Special" article by Pablo Aragon:"Fatherland or Death: Will We Escape"]

[Text] The serious divorce between Fidel Castro and Cuba occurred because the latter has awakened—while the "commander" has yet to do so—from the Marxist nightmare which began when the former descended from the Sierra Maestra in 1959.

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The Latin American intellectual messiaship believes Castro can no longer differentiate between his fantasies and readings and reality; it is enough to read his statements to understand the similarity he accords himself to one of the literary personages dreamed up by his friend, Colombian writer Gabrial Garcia Marquez (Last week in Bogota, commenting on the 5 August disturbances in which thousands of people violently demonstrated in Havana's dock area demanding the end of his reign, Castro spat out: "I cannot recall any of the liberators of this hemisphere leaving the battlefield before achieving the independence of our countries.")

By being so imaginative, Castro cannot now hide the absolute failure of his "revolution" which, after three decades of violent stridency, has been reduced to acknowledging that bereft of the $80-billion or so that the USSR poured into Cuba during the 1970's and 1980's, his Marxist Caribbean paradise is now bankrupt.

The energy cuts in August 1993 turned Havana into a cauldron of dissatisfaction in which groups of malcontents prowled the dock area openly challenging the countless security agents and the spies that are the ears and eyes of the regime. This dissatisfaction is not merely due to the climate: Despite countless promises of economic reform, modern-day Cuba is a picture of complete economic paralysis. The 1993 sugar harvest (the main export commodity) was just one fifth of the 1992 harvest and Cuban reserves have fallen from $100 million in 1991 to $12 million in 1992.

No wonder the lines of people and rationing, with which Cubans have had to cohabit since the beginning of their "revolution," have now become an unsupportable yoke—especially for the younger people who are not imbued with the pretentious Sierra Meastra spirit and who are more inclined to attempt illegal entry into the neighboring state of Florida or, in the worst of cases, to prostitute themselves to the tourists who visit Havana.

The flow of Cuban refugees toward the United States has grown. There have been more than 5,000 refugees this year, the highest figure since 1980 when Castro opened Mariel Port to allow a wave of 125,000 desperate Cubans out in a stampede to reach the Cuban Mecca that is Florida.

The disturbances and the violent hijacking of vessels like the two launches that ply between the port of Havana and Regla, or the passenger launch "La Coubre," seem to clearly indicate that Castro is close to a stampede like the one his Marxist colleague Erich Honecker faced in 1988.

The difference between the cases of the German dictator and Castro lies in the fact that the latter has a very powerful weapon: Demographic blackmail. Nothing could be more devastating for neophyte U.S. President Bill Clinton than an avalanche of Cuban immigrants in Florida just as he is weighing (?) the idea of invading Haiti in an attempt to stop the flow of refugees from that country. It is not in vain that Clinton's presidential advisers have disinterred from the archives a so-called "distant coast operation" ["operacion costa distante"] that was cooked up in 1980 to cope with any repeat of the "Mariel" escapade like the one that flooded Florida during the presidency of Jimmy Carter, who is still very much in the forefront.

Castro's astuteness will undoubtably help him to handle the perplexities of the Clinton Administration, whose foreign policy is like a person facing a buffet, but who is not hungry: He tries a bit of everything, but really eats nothing. That is what happened over North Korea (have the nuclear plants of the two Kims disappeared?), and this is what is happening over Haiti (maybe they want to kill General Cedras through a war of nerves?).

This inconsistency of Washington will, without doubt, prevent it from understanding that the only thing that will prevent Castro's migration blackmail is to scrap the old trade boycott on the island. Havana is no longer the terrorist oven of the 1960's and 1970's and its inhabitants are a pathetic human assortment condemned to live on ever-decreasing rations in the midst of basic deprivations that have caused several hundreds of them to go blind from a neuritis epidemic (caused by a vitamin deficiency).

Even though it would be stimulating for Washington to see its adversary eat the dust of defeat (which would, of course, make the radicalized Cuban-Americans, the majority of whom live in Florida, very happy), it is true that Castro should not take Cuba to hell. If the trade embargo bleeds the country white, then the 21st century could turn Havana into a another Port-au-Prince. No principle is worth that much.

Editorial: 'Refreshing Wind of Freedom' in Cuba

PY2208222094 Montevideo LA MANANA in Spanish 7 Aug 94 p 4

[Editorial: "Imminent Collapse of a Communist Stronghold"]

[Text] The sun shone down on an unusual spectacle on 6 August: The Cuban people took to the streets to confront the violent repression of Fidel Castro's communist regime, to demonstrate against the abject squalor in which they live, and to protest the wave of taxes imposed by the tyrant to cover the huge fiscal deficit, which has come about mainly because of the failure of the sugar harvest, which declined by more than 2 million tonnes. The struggle, which has just began, is also being waged to recover freedom and democracy.

The recent sinking of the "31 de Marzo" tugboat, which claimed the lives of many of those who were escaping to freedom, together with the closing of all access to port areas and to the pier, have caused Cubans to no longer fear the dictator. It has enabled them to recover not only their courage, but also the awareness of their human dignity. The manner in which the Cuban people live has thus been made to appear in all its sad dimensions.

A shower of taxes fell upon the shoulders of Cuban citizens on 6 August: "Taxes on income, property, sales,

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earnings, the use of the labor force, nonessential products, the exploitation of natural resources, tolls, advertising in public places," and many others, the collection of which is expected to cover part of Castro's military government deficit.

The funny thing is that these taxes will entail taking from each worker—who earns 180 pesos per month (less than $2)—11 pesos more than what the communist regime sets for itself in order to maintain its modern Army and the lavish way of life of the "top brass" who, together with topmost political leaders, make up the privileged class of the "pearl of the West Indies."

Speaking over the microphone, Fidel said: "We are not renouncing socialism. Nor do we want a capitalism disguised by any old thing." Still, in deed, he dropped the tremendous burden of heavy taxation on the already weighted-down shoulders of the Cuban people, while leaving untouched the privileges of those who still prop up his regime with the force that arms confer.

This was not Castro's only fear. A very important consideration is that Russia is investigating the whereabouts of the millions of dollars that the KGB appropriated to Cuba and other countries for maintaining a regime of terror, persecuting dissidents, and staving off demonstrations. There is a limit to everything. When man strips himself from the "ego" that keeps him shackled, he becomes free. He struggles to preserve his freedom and confronts the truncheons and rifles, demanding democracy.

A refreshing wind of freedom has begun to shake and crack the structures of the only communist stronghold in Latin America. It needs to become but a little stronger in order to make it collapse, as the police under the Castro regime have already begun to express their disagreement in refusing to crack down on the people.

President Urges National Support for Mercosur

PY2208151294 Montevideo EL PAIS in Spanish 9 Aug 94 p 7

[Text] "We have to ensure a different type of future, a better and a more prosperous one. These circumstances have not guaranteed it for us; they have only offered it to us. Therefore, I want my words to be a call for everyone: I want the media, political parties, labor unions, business organizations, and citizens in general to see this as something positive and to believe that we are going to have to ensure an auspicious tomorrow."

This was said by the president [Luis Alberto Lacalle] after the cabinet meeting that was held on 8 August at Libertad Building. The foreign and economy ministers submitted a report on Mercosur [Common Market of the South] to the cabinet.

There was also a recess in order to receive the members of the technical team and the chief negotiators, Juan Ignacio Garcia Pelufo and Ambassador Guillermo Valles, who were given a round of applause for the work they carried out during the three years of negotiations.

After the meeting, Lacalle descended to the Ceremonies Room of Government House in the company of all the ministers, and then proceeded with his statement for the people.

During the course of his address, the president said:

"The cabinet met today in an extraordinary session to receive reports from the economy and foreign ministers on the results of the negotiations that were held in Buenos Aires last week.

"In the name of the government, I wish to reiterate the gratitude extended on behalf of the nation to the ministers who were involved and to our negotiating team for the difficult task that they had to carry out and for the success that they have achieved. It was a task that contained at times many difficulties that are publicly known and tedious aspects that were ignored by us, a task that represented a permanent chore lasting nearly three years. In effect, ever since it was approved, the Treaty of Asuncion required adjustments that were made through negotiations between the four countries in an up-to-date manner, and therefore it has been a very long task."

Later on, Lacalle said: "I must say that after listening to and answering the questions of the ministers who were in charge of the negotiations, the cabinet has made decisions that will allow this topic of the Mercosur to be taken up by the rest of the country. In the first place, from the presidency we make a call to all of the people to campaign together for this new stage that is opening for our country, a stage that involves, first of all, the political leaders and the current and future governments.

"This means that businessmen and workers must increase their efforts, that all of the population must be aware that we are on the threshold of a new era. It must be prepared for changes that will be none other than an enormous opportunity for development and prosperity. Congress currently has in hand laws that have to do directly with trade aspects, with Uruguay's international image, and with industrial improvement, and we know that it will not dismiss this very important episode, and that it will make every effort to approve these pending bills, bills which have the nearly unanimous technical and political approval of everyone involved. We have asked the Comisec, a sectorial commission that includes representatives from public enterprises, the business sector, and the government, to increase its presence, because ever since its inception, it has received and answered many consultations and it has cleared up the doubts of all who wanted to know about the Mercosur."

During another part of his address, Lacalle said: "Now that the external tariff and this framework that is known to all have been approved, we have asked the Comisec, now more than ever, to undertake its task of dissemination so that all

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sectors can be informed in detail of what this transformation really means in the life of every single person. We are going to address the party candidates who are immersed in the election campaign, to keep them informed, because the consequences of all that has been negotiated will be handled long after the conclusion of our mandate in March 1995. Taking into account that this topic is going to be handled for what it is—a national topic—we are going to be in contact with the main candidates and party leaders to inform them and to place ourselves at their disposal so that they will be able to know everything about these instances and achievements. This very afternoon, we are also going to contact Congress to ask it for the names of the ministers, something that Congress has always done when the topic is important, who will explain to Congress the scope of the measures that have been adopted within the framework of patriotic cooperation.

"Therefore, fellow countrymen and women, all I have left to say is that the country is entering a stage of decisions, and that it has to carry out a transformation in order to take advantage of these opportunities. We must have no doubt that all of us have the will to look at ourselves in a critical way and are capable of pointing out where we have to adjust our legal and political structures, the size of the state, and the ways things are done in this new era. Our country, which is the smallest of the four partners, has been geopolitically placed by divine providence. It has the potential of a prepared population and top-level citizens, and enormous possibilities are opening up for it. Therefore, we invite our fellow countrymen and women to assume this as an only opportunity; it is something that has not existed since our independence."

In conclusion, Lacalle said: "Nothing as important as this has occurred since we became an independent nation. We have to ensure a different type of future, a better and more prosperous one. These circumstances have not guaranteed it for us; they have only offered it to us. Therefore, I want my last words to be a call for everyone: I want the media, political parties, labor unions, business organizations, and citizens in general to see this as something positive and to believe that we are going to have to ensure an auspicious tomorrow."

Editorial Questions Mercosur Agreement

PY2208215094 Montevideo EL OBSERVADOR ECONOMICO in Spanish 8 Aug 94 p 2

[Editorial: "Diplomatic Victory... Economic Defeat?"]

[Text] Top-level negotiations, whether these be between nations, enterprises, or persons, are not defined simply by the strength or weakness of the positions of the parties involved. It is often the ability of the negotiators that prevails, and their ability to take advantage of the errors—be they small or great—that can be made during the negotiating process.

At the end of a week of heated negotiations over the definition of the rules for Mercosur [Common Market of the South]—and it may have been the most dramatic week since the signing of the Treaty of Asuncion—it can be said that Uruguay, though not in a very strong position, obtained an undeniable diplomatic triumph in achieving three objectives: 1) that the CAUCE [Argentine-Uruguayan Agreement on Economic Cooperation] and PEC [Trade Expansion Protocol, signed with Brazil] agreements, which do not make any sense from the theoretical viewpoint of a customs union, will continue in force until 2001; 2) that the nine duty-free zones that our country has installed will be able to export their products to the four Mercosur countries as though they were foreign products; and 3) that the so-called "temporarily sensitive" sectors will maintain their current tariffs, and will also have an additional period to adapt to the common external tariff. In addition there is satisfaction over the agreement on the common external tariff, which gives birth in fact to a very sui generis customs union that, with a timid beginning in 1995, will go into full effect in 2001.

It is not easy to determine the cause of this diplomatic victory, but there are two things that merit highlighting. In the first place there was Argentine Economy Minister Domingo Cavallo's attempt to overrun the smaller Mercosur partners by defining this treaty as an agreement between Argentina and Brazil, to which Paraguay and Uruguay could adhere if they so desired. Haughtiness is always a bad adviser, and the minister's cost his country dearly, as Argentine President Carlos Menem had to deny what the minister had said, thus ratifying that Mercosur has four partners. In the second place, Uruguay's betting strongly on the topics of CAUCE, the PEC agreements, and duty-free zones introduced a degree of tension without precedent in the relations between the four partners. In the end the conclusion was reached that nearly all of Uruguay's proposals had to be accepted or Mercosur would be born in a weak position, something that public opinion in the four countries would never accept. Uruguay's firm and risky position thus finally gave fruit, something which must be largely attributed to Uruguayan Foreign Minister Sergio Abreu, who was highlighted in the Argentine media as one the main originators of the demanding and trying final agreement.

From the viewpoint of the proposed objectives (shared by industrialists and users of duty-free zones), it can be said that the negotiations carried out by the government were very good. But do these short and medium-term objectives—shall we say from 1995 to 2001—coincide with the nation's long-term interests? Does this more than imperfect customs union, and the numerous schedules for adaptation, serve Uruguay in any way? Has the 1990-1995 period of adjustment been useful? Have we taken advantage of this period of time to adopt the necessary structural reforms to ensure the competitiveness of our economy within the Mercosur and later on with the world? Have our enterprises advanced in their reconversion in order to face the new competitive conditions?

We very much fear that the answers are negative, and this indicates that despite the unanimous congressional

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approval of the Treaty of Asuncion, we have lacked both in the public and private sectors the collective will to adapt ourselves to what we have voted for, with the hope that we might be given at the last moment another extension period—something that effectively occurred this week, at least for some sectors. Because the main doubt remaining about these negotiations is whether the same firmness that has been used from the diplomatic viewpoint to defend the country's position was also used in the negotiations that took place behind closed doors to measure all the sectors of the economy with the same yardstick. Instead it is our belief that while sacrifices and adjustments, exposing them to external competition, are demanded from some, others are protected by giving them time and the financial means for adjustment, at the expense of the consumer. This is a dangerous precedent for the support of the policy of opening up as a whole, and would be a clear economic defeat.

Venezuela

Latin American Meeting with Haitians Ruled Out

PA2208192694 Paris AFP in Spanish 1800 GMT 22 Aug 94

[Text] Caracas, 22 Aug (AFP)— Talking to AFP, an official Venezuelan source today dismissed the possibility that Haitian Government representatives will attend a future Latin American meeting in Caracas.

The source stated that two weeks ago, the possibility existed of holding that meeting with Brazilian, Mexican, and perhaps Uruguayan representatives. At that time, the Venezuelan Foreign Ministry sent to Port-au-Prince Enrique Peinado Barrios, its ambassador to Guyana and an expert in Haitian questions.

Caracas's new initiative, however, of holding a Latin American meeting with Haitian Government representatives to seek the departure of the military to prevent the announced painful military intervention was ruled out when UN Secretary General Butrus-Butrus Ghali announced he would replace it with a United Nations mission.

Venezuela's effort to prevent a military intervention in Haiti was thus frustrated after Argentina stubbornly opposed at the United Nations the creation of a first Latin American mission.

Caracas morning daily EL NACIONAL reported on Monday from Port-au-Prince on the possibility of a third meeting in Caracas, but the source ruled this out when it dryly stated: "that would have been a possibility two weeks ago."

Report Details Cabinet Meeting Discussions

PA2208044294 Caracas ECONOMIA HOY in Spanish 18 Aug 94 pp 4, 26

[Report by Zenaida Da Costa]

[Text] The Council of Ministers met on 17 August and decided that the finance minister would present an additional credit request to Congress for 182.403 billion bolivares to be charged to the budgets of various ministries. Information Minister Guillermo Alvarez Bajares explained that the credit would be used to meet obligations related to foreign public debt service.

Other obligations to be met with this additional credit include those related to food and transportation coupons, arbitration awards for judicature and judicial branch workers, budget limitations faced by the universities, constitutional issues, state government budget insufficiencies, social programs, and other public administration expenditures.

Approval was also given to the Defense Ministry for 91 million bolivares for its barracks housing budget; 75 million bolivares to the Geographic Foundation and Military Cartography; and 630 million bolivares to the Autonomous Sanitary Agricultural Services.

Other issues discussed relate to the construction sector housing program assigned to C.A. Construcciones for urban housing programs (262 million bolivares), Zulia Region Urban Development Program (1.286 billion bolivares), and the CVG-Bauxilum, C.A. (126.807 billion).

This Wednesday's Council of Ministers meeting also spent some time analyzing the proposal of an economic stabilization and recovery program presented by Werner Corrales, minister of Coordination and Planning (CORDIPLAN). Due to the length and complexity of the proposal, it was agreed to leave it on the agenda until Saturday, when the ministers are scheduled to meet again either at Miraflores or La Casona.

Alvarez Bajares announced that the proposal prompted numerous questions and that the CORDIPLAN minister will be forwarding additional information to the other cabinet members so he can get their feedback during the weekend meeting. He also announced that the proposal could be made public shortly.

The CORDIPLAN minister pointed out that the economic stabilization plan does not include neoliberal guidelines. In this respect, the executive branch spokesman stated that only those proposals believed appropriate for the country will be included in the plan.

Discussions also centered around the report presented by Foreign Minister Miguel Angel Burelli Rivas on Haiti and the efforts undertaken by Venezuela to meet with the military leadership of that Caribbean nation. The report is evidence of this tremendous initiative.

In this respect, discussions during the cabinet meeting focused on the latest decision by the UN secretary general, who, in practice, decided to acknowledge Venezuela's efforts to prevent a military invasion, along with a proposal for mediation that will finally be carried out by this organization

With respect to the gasoline price increase as part of the plan to make the best possible use of energy resources, Alvarez Bajares stressed that this issue was not included on the agenda, nor did he disclose any dates when an official announcement would be made on this issue. He did announce that a report prepared by the Energy and Mines Ministry had been presented to the president, who will make an official announcement on it in the next few days.

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